

The following-named midshipmen to be assistant paymasters in the Navy, with the rank of ensign, from the 6th day of June, 1929:

Burl H. Bush.
Ernest C. Collins.

Henry S. Cone.
Charles A. Meeker.

CONFIRMATIONS

Executive nominations confirmed by the Senate Thursday, May 16, 1929

COAST AND GEODETIC SURVEY

To be aide (with rank of ensign in the Navy)

Robert August Earle. Karl Border Jeffers.
Harry Franklin Garber. John Francis Fay.

COAST GUARD

To be ensign

George H. Miller.

POSTMASTER

WISCONSIN

William F. Pflueger, Manitowoc.

HOUSE OF REPRESENTATIVES

THURSDAY, May 16, 1929

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Lord God of the harvest, Thou dost prepare for us a lesson every morning, and in it is Thy wonderful mercy! Let this truth chasten us and impose on us the virtue of humility. Let it be strangely urgent and constraining as its intense reality touches us. Forgive our foolish ways, clothe us with right-mindedness; and at the impulse of our better selves may we serve Thee. Bless us all with hearts in which hopes and longings, affections and desires, blossom immortally. We praise Thee, O God, that Thy fatherhood is best realized in saving, training, and directing Thy earthly children. So be unto us; and at the end of the day let us relax into deserved rest. In the name of Jesus. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 4. An act to regulate promotion in the Army, and for other purposes.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 22. An act to provide for the study, investigation, and survey, for commemorative purposes, of battle fields in the vicinity of Richmond, Va.

UNITED STATES COURT OF CLAIMS

Mr. MOORE of Ohio. Mr. Speaker, I ask unanimous consent to extend in the RECORD an address delivered by the Hon. Fenton W. Booth, chief justice of the United States Court of Claims, delivered before the Federal Bar Association, in this city.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD by printing an address delivered by the chief justice of the Court of Claims. Is there objection?

There was no objection.

The address is as follows:

Ladies and gentlemen of the Federal Bar Association, a latitude of enthusiasm is allowable when we come to speak of the particular vocation we have chosen to follow and the importance of the service we render. If one fails in a conscious pride of the institution he serves, the real importance attached to its history and scope, it were infinitely better never to have known of it; for lack of interest in a task and lack of devotion to it inevitably spells failure. The organization of the Federal Bar Association is an exemplification of what I mean. It augurs well for the interests of the Government intrusted to its members that sufficient enthusiasm obtains to cement into an association the ladies and gentlemen who compose it, having for its object the betterment of the public service, the suggestion of omissions and commissions, and a loyal and determined spirit of cooperation to accomplish that which is best for all concerned. Representing as I do a court of the United States with which every department of the Government either comes into or may sooner or later expect to come into contact, it seemingly fits into this occasion to tell you ladies and gentle-

men some things about the United States Court of Claims which I have no doubt some of you know and which I confidently assert the balance of you should know.

Former President Coolidge quite recently said: "The first duty of a government is order." The assertion exacts simply the statement, it is manifest; but governments in all instances depend for perpetuity upon the loyalty of its subjects, and one vital factor indispensable in exciting the attachment of loyalty is the administration of justice, and no nation is just that does not pay its honest debts. Among the first bills introduced in the First Congress were several providing appropriations for the payment of private claims against the Government, and each succeeding Congress was confronted with not only similar but a constantly increasing volume of similar legislation, until finally the matter became a subject of concern, eliciting the efforts of our early statesmen to solve it.

It is no reflection upon Congress to state that the adjudication of private claims against the Government should be intrusted to the courts. The attention of Congress is centered upon public and important governmental questions; its facilities for obtaining testimony in such controversies are limited and procedure therewith unavoidably prolonged. Citizens of the country remote from the seat of Government would be seriously handicapped, both as to the expense as well as obvious inability to secure testimony of greater probative value than ex parte affidavits, and in most instances absolutely precluded from personal appearance before committees. As a matter of demonstrated fact, to restrict the citizens of the United States to the single personal right of constitutional appeal to Congress for the redress of their grievances would as to private claims be the equivalent in most instances of the denial of justice.

The Supreme Court of the United States recognized this fact long before it impressed Congress. Chief Justice Jay, the first Chief Justice of the United States Supreme Court, said in the memorable case of *Chisholm v. Georgia*:

"I wish the state of society was so far improved and the science of government advanced to such a degree of perfection as that the whole Nation could in the peaceable course of law be compelled to do justice and be sued by individual citizens."

And in several opinions of the same great court the subject was repeatedly referred to and favorably advanced. The constitutional right to petition Congress for relief was the single available remedy. Governments may not be sued except by their consent, and the increasing demand for the prompt settlement of just governmental debts, the interminable delay in their consideration and allowance, aroused such a formidable sentiment among the bench and the bar of the country, as well as the claimants themselves, that Congress, in February, 1855, passed an act creating the United States Court of Claims. The court at first was composed of three judges, and while the subject matter of its jurisdiction was most comprehensive, its real judicial power was exceedingly limited. The right to award a judgment against the United States was withheld. The findings and opinions of the court were transmitted to Congress for its approval and awards. Strange as it may now seem, the judgeships attracted accomplished lawyers, and the initiatory work of the judges so far commended itself to Congress that in 1863 the court's jurisdiction was enlarged to what Congress then believed was authority to award judgments against the Government, with right of appeal to the Supreme Court by either party. The statute of 1863 contained a provision which took from the court's judgments the attribute of finality; the Secretary of the Treasury was given a modicum of supervisory power, and hence the Supreme Court declined to entertain appeals. In 1866 this error in legislation was corrected, and since then the court has occupied a distinct place in the Federal judiciary system of the country.

The act of 1863 increased the personnel of the court to one chief justice and four associate judges, and as such it remains to this day. The general jurisdiction of the court extends specifically to four classes of cases: First, to all claims (except for pensions) founded upon the Constitution of the United States. The employment of such all-embracing language in connection with the fundamental law of the Nation is most imposing. The Federal Constitution prior to its amendment contained but one express clause wherein the debts of the Government are mentioned. Article VI, section 1, provides: "All debts contracted and engagements entered into, before the adoption of this Constitution, shall be as valid against the United States under this Constitution as under the confederation"—a mere acknowledgment of a right without extending a remedy. The original instrument was primarily concerned with the organization of the Government, the distribution of power and authority to the legislative, executive, and judicial departments of the Government. The vast majority of private claims against the United States result from the functioning of the Government under the Constitution rather than from the express provisions of that instrument. The fifth amendment to the Constitution contains among other wholesome provisions this express one: "Nor shall private property be taken for public use, without just compensation"—a limitation upon the sovereign's right of eminent domain. The Constitution gave Congress supreme authority over interstate and foreign commerce. Rivers and harbors were to be improved, streams were to be made navigable,

and all manner of engineering feats called into play to meet the ever-increasing demands of interstate commerce. Not infrequently activities of this character bring forth numerous takings of private property; a dam across a stream backs up the water on a riparian owner's land, where it remains. Rights of ingress and egress to adjoining lands are destroyed, acres are taken to construct levees, all without the owner's consent and under circumstances indicating no claim of title thereto by the United States. The United States Court of Claims has awarded judgments for vast sums of money, all of which have been paid to innumerable claimants in virtue of this clause of the fifth amendment to the Constitution, and each succeeding year finds on our docket many cases of a similar character.

It would be difficult indeed to even hazard an estimate of the countless millions paid to owners of private property expropriated by the Government during the Civil War and the World War. Hundreds of cases involving the seizure of ships and an indescribable quantity of war materials and supplies of every kind and character reached our court and generally resulted in large judgments. The Court of Claims, with its limited facilities at the close of the war, could not have within the generation of man adjudicated the thousands of cases involving the commandeering of private property during the recent war; it was a task of magnitude and critical importance. Nevertheless, in view of the reasonable dispatch by the court of the vast increase of litigation after the close of the war, and the lack of complaint with respect to delay, I have always believed and I do now think that with the same augmented facilities and enlarged appropriations granted independent tribunals the Court of Claims could and would have disposed of every claim of this sort within at least as short if not a shorter period of time than was consumed in their disposal and to the satisfaction of litigants as well as the Government. With but a slight increase in force and appropriations, it is gratifying to say that war claims have practically disappeared from our docket. So long as the Government endures, claims founded upon the Constitution will continue.

One of the most prolific sources of litigation in our court arises from private demands founded upon laws of Congress. It is of especial interest to employees of the Government, holding statutory places with fixed salaries, to realize the existence of a judicial forum wherein they may assert their rights to what the law of Congress gives them in the event of its denial. The pay statutes of the Army, Navy, and Marine Corps, despite years of effort at simplification and certainty, continue to involve intricate and difficult issues of statutory construction, predicated not alone upon rank and grade, but interwoven with periods of longevity, active and inactive duty, mileage allowances, commutation of quarters, allowances for dependent wives and mothers, and a thousand and one additional questions calculated to test the mental as well as the physical strength of the judges of our court, called upon to write opinions in a great number of cases on our docket each year.

The Court of Claims under this particular grant of jurisdiction has always adjudicated cases arising under the internal revenue laws of the country. Preceding the adoption of the sixteenth amendment to the Constitution and the advent of the income tax law, litigation from this source, while important, was not voluminous. During the last term of the court about 800 new tax cases were filed, each one involved and complicated. The jurisdiction of the court as to tax litigation is an independent one, in no sense appellate, and is founded upon a claim arising out of an act of Congress. The taxpayer in order to avail himself of the remedy must as a condition precedent pay the demanded tax in full, apply for its refund, and if the same is refused, or not acted upon by the Commissioner of Internal Revenue within six months, he may within two years sue in our court to recover the tax alleged to have been illegally assessed and collected. The Congress in 1925 passed an act granting the court the right to appoint seven commissioners, empowered with authority to hear the testimony of witnesses and report their findings of fact to the court in all cases referred to them by the court. Their tenure of office was first fixed at three years and subsequently extended for an additional three years. The assistance of the commissioners in tax cases alone has vindicated their authorization and it is but simple justice to state that with their valuable aid the court has been able to keep abreast with its docket, and dispatch tax and other litigation within reasonable limits of time. Controversies over Government taxes seemingly increase annually; every conceivable question arises, and I need not assert in this presence the prime importance, to both the citizen and his Government for the proper construction of statutes involving the revenues of the Nation and the property of its citizenship. Tax cases possess legal, mathematical, and mechanical angles. Often the court is called upon to decide whether a battery is part of an automobile, an insurance policy part of a dead man's estate, a blowout patch an accessory to a car, and what is infinitely more solemn, whether one at 65 years of age gives away his property in contemplation of death.

The smallest judgment ever awarded under this jurisdiction was for the total sum of \$1.04. The case involved the deduction of this insignificant sum from travel pay and allowances granted a volunteer officer of the Army during the Civil War as income tax due under the revenue act of 1862. Doubtless you are at once impressed with the rule *de minimus non curat lex*. So was the court, but upon an examination of

the record it was discovered that the case itself involved innumerable cases of like character and became an established precedent of great importance. To exhaust the subject of private demands emanating from the number of laws enacted by Congress pertaining to private rights which reach the court would weary your patience and unduly extend this discussion. Suffice it to say that the recognition of justiciable issues respecting a lawful demand against the Government, due to the legislation of Congress, is an important and component part of the distinct policy of the Nation to do justice to its people.

The regulations of executive departments made in pursuance of law have the force of law. If they transcend the statute they are ultra vires. Sometimes I feel as though I could recite the regulations of the Army and Navy Departments backward, and orate upon the manual of arms with the same degree of eloquence as characterizes the June essay of a high-school graduate. It is because a regulation of an executive department has the force of law that a citizen of the United States may be denied the right of payment of claim preferred to that department and upon whose judgment he is quite unwilling to rely. I can not pause to recount the cases we have adjudicated under this jurisdiction; while not unduly numerous, they have been and are of importance, involving substantially every character of relationship growing out of dealings with and for the United States.

We boast in America of the right of freedom of contract. Few restrictions are placed upon the right under our system of jurisprudence. The obligations of a contract entered into between the Government and one or more of its citizens possesses precisely the same legal status as one consummated between private parties. The business world should be encouraged to deal with the Government and assured that a Government contract is an attractive instrument, one to be observed and performed in accord with its letter and intent, and in the event of a controversy affecting reciprocal rights resort may be had to an established judicial forum for the adjudication thereof. When Congress conferred upon the United States Court of Claims jurisdiction of all rights founded upon contracts, express or implied, it afforded relief to a vast number of citizens and corporations who were otherwise remediless under the law, and all of whom would have permanently maintained a conviction of hesitancy in obligating themselves to perform a covenant without the corresponding right of enforcing performance by the United States. I doubt if any single Government official is accurately informed as to the exact number of contracts executed by the Government each year. Each department of the Government enters into contracts, and with the possible exception of the Commerce and Labor Departments our court has passed upon hundreds of cases involving suits for damages for a breach of contract. Battleships and cruisers are usually constructed under contracts. Public building contracts are numerous; contracts for mail messenger service exist in nearly every city of consequence in the Union; railroads transport vast amounts of Government property under bills of lading; Government supplies of every character are obtained by written requisitions; river and harbor improvements in aid of navigation are usually let to contractors, and during the war contracts for every conceivable sort and kind of war material and munitions found their way into the Government archives. The 66 volumes of the Court of Claims reports are replete with opinions in contract cases and many more are yet to be decided. This source of jurisdiction is obviously inexhaustible. Quite recently a judgment of this court in favor of a contractor in excess of \$3,000,000 was promptly paid by the United States, and in the course of its history a total sum much greater in amount has been awarded contractors under this jurisdiction.

The jurisdictional act reads "upon any contract, express or implied, with the Government of the United States." Twenty or more years ago a distinguished French inventor, the originator of a valuable device used in naval ordnance, fully protected by a United States patent, discovered his device in use in the guns of the Navy. Previous to this time the patentee had disclosed his invention to the Navy and the existence of his patent rights were known. No consent to use or prohibit use obtained. The inventor sued in the Court of Claims, and following precedent this court awarded him a most substantial judgment, predicated the opinion upon the existence of an implied contract to pay therefor. The Supreme Court on appeal affirmed the decision, and until 1910 inventors were thereby assured that the Government of the United States might not invade their patent monopoly if at the time of use no claim of title to patent upon behalf of the United States was asserted.

While the United States is at liberty to limit as may seem fit the right of action against it, and notwithstanding the policy of the Government to restrict the jurisdiction of the Court of Claims to express subjects, there is no single provision of our general jurisdictional act worthy of greater commendation than the willingness of the Government to respond in damages for a breach of a contract, express or implied. In this respect the Government has, indeed, divested itself of an important attribute of sovereignty and assumed the position of ordinary suitors before a court of law.

There is nothing mysterious about an implied contract. Obligations flowing from a relationship where the Government accepts services or supplies under circumstances where it must have been known, or

assuredly is to be inferred, that the services were not gratuitous and the supplies furnished free of charge, require payment therefor upon a quantum valebat or quantum meruit. The Government very often needs things in a hurry; other incidents intervene which preclude an immediate agreement as to price; there is no more reason for immunity from responsibility upon the part of the Government than a private individual, and our court has awarded most substantial judgments in an immense variety of cases involving this precise issue.

Up to the present, actions for damages sounding in tort have failed of judicial recognition. Congress has passed many bills granting relief in personal-injury cases; but thus far jurisdiction to hear and consider claims of this nature has not been conferred upon any judicial tribunal. A bill with many provisions looking toward relief in this class of cases passed Congress at its last session but failed to obtain the signature of the President.

There are certain officials of the Government intrusted with Government property; in some instances large sums of money. It has happened in the past, and is certain to occur in the future, that some unforeseen event may result, without the fault or negligence of the officer, of a loss of some portion or all of said moneys or property, for which either the officer or his bondsman would be responsible. In time of war a paymaster, quartermaster, commissary of subsistence, or disbursing officer may lose his trust property through capture. In times of peace he may suffer loss through theft, fire, or other unavoidable causes. The Court of Claims was long since given jurisdiction to hear and determine the facts in the case and issue its decree. If the loss occurred through inevitable accident or under circumstances disclosing a lack of negligence or due care upon the part of the officer, the court's decree relieves of the responsibility and the officer's accounts are not charged with the same. The relief extends to the loss of funds, vouchers, records, or papers.

The Constitution encouraged invention by authorizing Congress to grant limited monopolies in its interest. In the early years of the Government an inventor enjoyed a personal monopoly of his invention as against his fellow citizen; but his right to recover for its infringement by the Government was limited almost to the point of a petition to Congress for relief. I am within the bounds of truth when I state that the subject of remuneration for the unauthorized use of patented devices by the United States was the recognition of the restricted right to recover damages upon an implied contract. The remedy was a difficult one. By an act of Congress approved June 25, 1910, the Court of Claims was given jurisdiction of patent cases arising whenever the United States, without the license of the owner or lawful right to use, did use the patent. The effect of this legislation was to authorize the prosecution of cases of infringement by the United States. One need but to assert that the appropriation of the valuable right of a patent monopoly without the intent to pay the patentee is nothing short of confiscation of private property. Inventors throughout the Nation were quick to take advantage of this righteous grant of judicial authority and many cases have been adjudicated by the court concerning a wide variety of novel and interesting devices used by the United States, and for which compensation has been awarded. A later patent statute embodied in the act of July 1, 1918, enlarged the court's patent jurisdiction in infringement cases, extended relief to the assignee of letters patent, and extended the responsibility for infringement by the Government to any patent "used or manufactured by or for the United States." The Supreme Court in a very recent case construed the act of 1918, and in an exhaustive opinion held that the remedy given applied to the point of substituting the Government in the place of private contractors with the United States, rendering the latter responsible as in ordinary patent litigation. This is not all. During the war Congress gave authority to the Commissioner of Patents to withhold the grant of a patent whenever in his judgment the public interest so required, and enjoined upon the patentee the obligation of keeping his application secret. If the patentee observed the orders of the commissioner, and thereafter tendered his patent to the United States and it was used, a right of action in the Court of Claims was authorized for the recovery of just compensation for said use, and letters patent were finally granted, to date from the date of use and not from the date of the issuance of letters patent.

Many cases have been tried, some have gone to judgment, and others dismissed under this beneficent recognition of the rights of inventors during the stress of war times, when the immediate needs of the Government left no time for negotiations with owners of patents and the necessity for expropriation was acute. To-day the court has on its dockets nearly 70 patent cases. In the majority of instances they involve ingenious improvements in the construction of munitions of war. The airplane and the radio have supplied many contentions for basic as well as improvement patents, and the sums demanded stagger the imagination, running into hundreds of millions of dollars.

Patent cases radiate an unusual interest, not confined exclusively to the issue to be adjudicated. Patentees are in no wise modest in their demands. The engaging grace which accompanies an assertion that from one to sixty millions of dollars would fall short of just compensation is frequently more startling than persuasive. They are also a fruitful source of unique and wholly fanciful claims frequently originating in the disordered mentality of an unfortunate individual

whose brooding over an imaginative injustice has brought him to the brink of insanity.

The United States has been charged with many injustices in its relationship with tribal Indians and tribal Indian lands and funds. Controversies growing out of Indian treaties, agreements, and acts of Congress concerning Indian reservations and Indian funds are at times concluded by legislation. The Indians may not sue the Government except by special acts of Congress. During the existence of the Court of Claims innumerable special jurisdictional acts have referred to it many tribal Indian controversies. No litigation of a more exacting character reaches our dockets. Uniformly the records mount into thousands of documents, the majority of which are ancient and often obscure. The legal questions are many and the very details of the case tremendously wearing. In most instances it requires years for their preparation and the examination of briefs and arguments extending over hundreds of pages involves an inescapable delay that often elicits an unjust criticism of the court and counsel. We have on our docket to-day one Indian case pending under a special jurisdictional act seeking the recovery of the modest sum of over \$696,000,000. The largest judgment the court ever awarded was one of over \$5,000,000 in favor of the Cherokee Indians, and it is interesting to note that the attorney of record in that case stated in open court that he lived with the case, almost to the exclusion of all other activities, for more than 17 years, and had he lost it would have failed to recover a single penny for his services. Congress in recent years has enacted an increasing number of special Indian jurisdictional acts, and there are now pending for adjudication a considerable number of tribal Indian cases of extreme importance to the Indians and the United States.

Special jurisdictional acts are not limited to Indian cases. In cases by far not so numerous, Congress has sent to the court a number of controversies wherein the statute of limitations has been waived, and for some special reason the asserted claim is given the special right of adjudication notwithstanding its hopeless status without the enabling legislation.

Section 151 of the Judicial Code confers upon the court a unique and sui generis jurisdiction. Either House of Congress may under its provisions refer any pending bill providing for the payment of a claim, legal or equitable, or for a gift, grant, or bounty, to the court for the investigation and determination of the facts, and report the same to Congress. Originally the cases from this source alone greatly retarded the business of the court. Three thousand five hundred bills of this character reached the court in one or two sessions of Congress. The remedy afforded claimants was a tardy and unsatisfactory one. Reports made to Congress often languished for as much as 10 years; and the instances were numerous where worthy claimants failed to receive payments, while less worthy ones were successful. Congress finally recognized the futility of the proceedings and, through the addition of the Crawford amendment to the original act, precluded the reference of any bill wherein the claim was barred by the statute of limitations. Since the Crawford amendment the references have been comparatively few, much to the delight of the court and claimants as well.

I shall not refer in extenso to the jurisdiction of the court under section 148 of the code. The section relates exclusively to references by the executive departments of claims involving controverted questions of fact or law. The purpose of the reference is a judicial finding and opinion for the future guidance of the department. Few cases reach the court under the section, doubtless due to the increased efficiency of the accounting department and ascribable also to the right to resort to the court in the first instance. The section authorizes the awarding of a judgment under the reference, if under existing law the plaintiff is so entitled.

The jurisdiction of the court is nation-wide and is coexistent with the Constitution and laws of Congress. Not only may all citizens of the country resort to this tribunal, but alien residents whose native countries afford a citizen of the United States the right to sue the Government in their courts, may exercise the same privilege in the Court of Claims. The court is preeminently the court of the citizen, has but one defendant, and its judgments, with one exception, are money judgments. The interests of the United States are fully protected by the right, not only of defense, but to counterclaim, and if it appears that the plaintiff is indebted to the United States in any sum, judgment goes against him, the transcript of judgment is certified to the United States district court of residence, and enforced as other judgments at law.

The writs of the court are likewise coexistent with its jurisdiction. Subpoenas for witnesses are issued by the court and served by the United States marshal of the district in which the witness resides. Evidence is usually adduced by depositions, taken now in most cases before our own commissioners, and from this record the case is briefed, argued orally before the court, and decided.

The court determines issues of fact and law. We have no juries, a fact which the Supreme Court sustained as not in conflict with the seventh amendment. Transcripts of judgments are certified to the Secretary of the Treasury by the chief justice, and by that officer transmitted to Congress for appropriation. The code contains a provision

withholding the right to award interest upon judgments unless upon a contract expressly stipulating for interest; but a transcript of judgment on file in the office of the Secretary of the Treasury in the event of a review and affirmance of the case by the Supreme Court, draws interest from the date of filing until paid.

The court formulates its own rules. Our pleadings follow more closely a statutory code of pleading, a system established by our rules embracing, of course, the essential allegations provided in section 159 of the code. The defendant may file a demurrer, or general or special plea. If the defendant does not within a stated time plead or demur, under the rules the clerk enters a general traverse.

The assignee of a claim, except in cases where the assignment is effected through the operation of law, as an administrator or executor of a deceased person, an assignee in bankruptcy or receiver appointed by a court of competent jurisdiction, may not prosecute a claim under our jurisdictional statute. The court may, of its own motion, or at the instance of either party to the litigation, call upon any of the departments of the Government for information or papers pertinent to the controversy, and the department is obligated to furnish the same unless incompatible with the public interests.

No Member of Congress or Delegate therein or Senator of the United States may practice in the court. This inhibition extends to a resident commissioner. A heavy penalty is imposed for an infraction of section 144 of the code.

The court under the statute has one annual term, commencing on the first Monday of December each year, and is now, I hope, permanently located at Seventeenth and Pennsylvania Avenue NW. Congress at its last session very generously accorded us an appropriation to refurbish and repair our building, and if you will pay us a visit in October you will witness a transformation we have long wished to accomplish, and one sorely needed.

The right to petition the Supreme Court for a writ of certiorari is granted by the act of 1925 from any of the court's judgments. The personnel of the court from the date of its establishment to the present has included judges of especial distinction and renown. Its first presiding judge was Hon. John J. Gilchrist, of New Hampshire, appointed March 3, 1855. He was, on the date of his appointment, holding the highest judicial office of his State and was a lawyer of eminent attainments. The Hon. Joseph Casey was the court's first chief justice, appointed in 1863. Others of note include David Wilmot, author of the Wilmot proviso; Charles C. Nott, a contemporary appointed by Abraham Lincoln; Charles D. Drake, of Missouri, who resigned a seat in the Senate in order to become the court's chief justice in 1870; William A. Richardson, chief justice in 1855, resigned as Secretary of the Treasury to accept the office; J. Bancroft Davis, twice appointed to this bench after most distinguished services as a lawyer and diplomat; William A. Hunt, who resigned his commission to accept a place in President Garfield's Cabinet; and Lawrence Weldon, of Illinois, a most eminent lawyer and distinguished citizen. Many others of equal renown and ability have rendered lasting service to the Nation and its citizenship as members of the court.

The court during its long history has accomplished an immense amount of work. Its judgments have always been paid, and it is a source of satisfaction to say to you that at present we are up with our docket, ready and willing to hear any case ready for trial and dispose of the same as its merits deserve.

The work of the court during recent years has evidenced the correctness of statements found in recent annual reports of Attorneys General. I quote from two of them:

"One of the outstanding features of the reconstruction period in the United States following the World War is the business which falls upon the courts in which suits may be brought against the sovereign. . . . The many sources from which much of the recent legislation arises are found in the acts of Congress broadening the powers of the Government in connection with the prosecution of the war. Among them may be mentioned the national defense act (39 Stat. 166), naval emergency fund act (39 Stat. 1168), emergency shipping fund act (40 Stat. 162), food control act (40 Stat. 276), trading with the enemy act (40 Stat. 411)."

"Since the original act of February 24, 1855, providing a forum in which citizens of the United States might have their claims against the Government adjudicated, the duties of the Court of Claims have steadily increased under legislation enacted from time to time enlarging its scope until to-day it is recognized that its importance is not exceeded by any other tribunal. Every conceivable issue between the citizens and their sovereign founded upon contract, express or implied, is presented to that court, and in addition under the so-called Dent Act of March 2, 1919, agreements entered into during the war of an informal nature may be brought to the Court of Claims for award of fair and just compensation. The small percentage of the decisions of the Court of Claims reversed by the Supreme Court of the United States testifies to the character of the decisions rendered."

THE TARIFF BILL

Mr. HAWLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the

Union for the further consideration of the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. SNELL in the chair.

The Clerk read the title of the bill.

Mr. HAWLEY. Mr. Chairman, I yield 30 minutes to the gentleman from Utah [Mr. COLTON].

Mr. COLTON. Mr. Chairman and members of the committee, it is my purpose to use the time that has been allotted to me for a discussion of the proposed rates on sugar.

I appreciate that it is necessary for the proponents of this increase to justify their position, not only before the producing public of the country but also the consuming public. It must be borne in mind, however, that we are here primarily to help agriculture.

The widespread propaganda that is being carried on by certain foreign and New York financial interests has had a tendency to becloud the issue with reference to sugar. I am sure you have been receiving circulars from a certain organization that terms itself the United States Sugar Association. As a matter of fact, few, if any, of its members are American sugar producers; they represent Cuban sugar producers.

A strenuous campaign is being conducted at the present time by foreign and certain Wall Street financial interests seeking to benefit themselves by the destruction of the domestic sugar industry. If their campaign against the domestic sugar industry is successful, the Cuban and Philippine sugar industries will offer the best opportunities in the world for tremendous profits to the interested parties, and the consumers of sugar in the United States will pay a price for sugar that will swell the great fortunes of the foreign sugar interests.

Every sort of propaganda is being broadcast to gain public sentiment in an effort to strangle domestic sugar production. The public is being told that only those who are directly engaged in the production of domestic sugar profit by the sugar tariff; that unless Cuba and the Philippines are given unlimited access to the sugar markets of the United States, those countries will retaliate by placing a prohibitive tariff on all forms of our manufactures; and that such action would disrupt all our economic, financial, and industrial activity and result in a national calamity. We are asked if it is fair for the whole American public to be taxed on the sugar that it consumes for the benefit of the comparatively few persons actually engaged in the domestic sugar production.

The motives prompting this propaganda put out by foreign sugar interests are extremely selfish and un-American, and the arguments put forth are against the best interests of this country as a whole.

The United States furnishes the best sugar market in the world. The 118,000,000 people of the United States consume on the average about 108 pounds per capita, or over 12,000,000,000 pounds of sugar per annum. No wonder then that foreign interests, particularly when other nations are doing all they can to encourage the raising of sugar within their own borders or dominions, are looking to America as an outlet for their products. Naturally the foreign sugar barons want to get control of our wonderful domestic market. If they ever do get complete control, and kill off our domestic sugar industry, the American public will pay the price of its folly for permitting foreign propagandists to influence American tariff legislation.

SUGAR INDUSTRY IS WIDELY DISTRIBUTED IN UNITED STATES

The sugar tariff is not a local problem, but is national. It is one of our most vital problems. The benefits from the tariff reach hundreds of thousands of persons in the United States. The domestic sugar industry is one of the most widely distributed of all our industries. Sugar beets can be grown most any place in the temperate zone. They thrive best in regions where the soil is rich, the temperature moderate, and the moisture adequate, either in the form of precipitation or irrigation. Beet sugar is now produced in 17 States: California, Colorado, Idaho, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, Nevada, Ohio, South Dakota, Utah, Washington, Wisconsin, and Wyoming. Cane sugar is produced in Florida, Louisiana, and Texas. It is cane sugar that is produced in our insular possessions. In addition to the cane and beet sugar produced in the United States, maple sugar is produced in the New England, North Atlantic, and Lake States—Vermont, New York, and Ohio leading; and corn sugar and sirup are produced on a considerable scale in the Corn Belt—Illinois, Indiana, Iowa, and Missouri leading. Thus 24 States produce sugar on an important commercial scale and are directly benefited by the

tariff on sugar. Is that not justification for the saving of the industry? I shall give others which are equally convincing.

Mr. TIMBERLAKE. Will the gentleman yield?

Mr. COLTON. For a question; yes.

Mr. TIMBERLAKE. In this connection, would it not be well to mention the fact that a good deal of sugar is now being produced from corn?

Mr. COLTON. Yes; I am glad of the contribution, because a number of the States are now commencing the production of corn sugar, making that many more States that are directly interested in the production of sugar.

I am proceeding to-day, Members of the committee, on the theory that protection has now grown to be the established policy of the United States. Oh, I know there are a few who still insist on free trade, but not very many.

When Uncle Sam presented Cuba her political independence the island industries were prostrated and her people in need of financial help. We granted her a 20 per cent reduction on her sugar from our regular tariff schedule. That 20 per cent differential gave Cuba a virtual franchise on our sugar market. No other sugar-producing country in the world could expect to compete against Cuba in the United States with such a handicap. So far as I know, no other country in the world has ever given to any other independent country such a marvelous and gratuitous advantage in her own domestic markets as that granted by the United States to Cuba by the 20 per cent preference in the sugar duty.

About this same time it became the task of Uncle Sam to aid in the rehabilitation of the industries of the Philippine Islands and their sugar was granted free entry into the United States.

The possibilities of using a great amount of capital, modern and efficient machinery, under effective managerial talent to develop the sugar industries of Cuba and the Philippines, operating under the favorable tariff concessions of the United States to those two countries, presented to European and American capitalists and industrialists an opportunity for profits beyond the wildest dreams of avarice. Many millions of dollars—yes, even billions of dollars—were attracted by the prospects. The opportunities seemed to even exceed the expectations of the promoters as the plan got well under way; it worked even better than was anticipated.

The concessions made to Cuba and the Philippines, which were prompted by purely philanthropic motives on the part of the United States, have been seized by New York financial interests and the Cuban, Philippine, and European sugar and financial interests and have been converted into a weapon of destruction against our own domestic sugar industry and have served no good purpose to Cubans and the Filipinos, in whose behalf the concessions were made.

The only thing that stands in the way of complete control by foreign sugar producers of the sugar market in the United States is the domestic sugar industry. If that domestic supply of sugar were exterminated the 118,000,000 Americans would be at the absolute mercy of the producers of sugar in Cuba and the Philippines. Their only guide would be how much will the trade stand. The prices paid by the domestic sugar consumers would be the prices that would yield the greatest profits to the foreign sugar interests.

There is plenty of evidence to show that this would be the policy of those foreign sugar lords. The prices paid during the World War crisis and in 1920 and 1923, when these foreign sugar interests did get to try out their desire to fix extortionate prices on sugar in the United States, shows what may be expected under conditions which permit them to control the market of the United States either in time of war or peace. If they can strangle and destroy the domestic sugar industry the domestic consumer will be made to pay prices for his sugar above anything of which he has ever dreamed. Rather than give these foreign sugar interests the control of our domestic sugar market they now seek we could much better afford to take from our National Treasury enough money to buy every dollar's worth of American-manufactured goods that Cuba and the Philippines buy and sink it in the sea.

My suggestion, if it were necessary, is that we had better pay as a gratuity to the manufacturers of goods that are being shipped to Cuba and the Philippines all that they now make as profits rather than to destroy a domestic industry so vital in times of peace as well as in times of war. The domestic consumers of sugar would undoubtedly pay many times more in the exorbitant prices fixed by these foreign interests on their sugar than would be required to pay the entire bill for all such American goods that might be sold in Cuba and the Philippines.

The financial mouths of these foreign and financial interests are still watering from the taste they got during the war crisis. Their strenuous fight to destroy the domestic sugar industry is

not surprising. The goal sought by these determined foreign interests seems to them to be near at hand. It is so easy to reach—just a few words in the tariff act admitting Cuban sugar free and placing no restrictions on Philippine sugar. It is so simple a thing to do that if the American people do not awake to the situation now they may awake later to find themselves the objects of pitiable sympathy in the hands of foreign sugar exploiters.

It is absolutely necessary that this great national problem and its tremendous significance be riveted upon the minds and attention of the sugar consumers of this country. For the only thing that stands between the 118,000,000 domestic sugar consumers and extortionate sugar prices is the domestic sugar industry, which under present conditions of competition is being strangled and its importance in the domestic sugar market decreased. Its strangulation must be prevented for the protection of the great body of domestic consumers of sugar.

The gentleman from Illinois on last Saturday, as I recall it, made the suggestion that it would pay us to buy all the land that is used for the production of sugar so that we might then leave the field alone for the foreign producer. Well, thank heaven, the statesmen of the past and of the present still believe that the United States should be free not only politically but economically [applause]; and if that is a sample of Democratic statesmanship—the suggestion which the gentleman made—it is no wonder that the Republican Party is being returned to power with an ever-increasing majority. We have accepted and have fathered from the beginning the principle of a protective tariff.

I know there are some who have tried to becloud the issue by raising the question of labor, and they are accusing the sugar companies, particularly the beet-sugar companies, of exploiting Mexican labor. Gentlemen and ladies, let us not be deceived. The sugar companies are not the raisers of sugar beets. They do not employ Mexican labor. The farmers of the country are the ones who are employing Mexican labor where such labor is employed. I want to speak of that phase of the matter just a moment.

The beet farmer enters into a contract with his company that he will produce so many acres of beets. There are about two months of the season when he needs additional help, in the spring when the beets need thinning and weeding and during the harvesting in the fall. If he can not find the labor in his own locality to take care of his needs, then the sugar company enters into an agreement to help him find his labor.

They go, first, to the cities, to the congested districts, and try to get the laborers from those sections to come out and help.

If they can not find American labor, then the sugar companies have gone at times to the border States along the Mexican line and have succeeded in getting Mexican labor for the farmers. But they are paid the same wages that are paid to American labor. They are only hired when farm laborers can not be obtained in America—I mean American labor.

This work is required at a time in the spring when it is hard to get American laborers. Moreover, when Mexicans do come into this field they are usually taken from some other gainful occupation and when they leave the field they go back to these other industries.

I want you to bear in mind that it is only as a last resort that Mexican labor is employed, for American laborers are given preference. When Mexican laborers are hired it is only to help harvest the agricultural crops. It is to help the farmers.

Mr. RANKIN. Will the gentleman yield?

Mr. COLTON. I yield.

Mr. RANKIN. I understood the gentleman to say that the Mexican laborers are paid the same wages as American laborers. I want to ask the gentleman if he has read the report of the department of labor in Michigan, where these laborers were paid in Michigan \$143.75; in Ohio and Indiana, \$143.75; Minnesota, \$146.90; North Dakota, \$152.27; in Iowa, \$147.73. I want to know if that bears out the gentleman's statement that equal wages are paid all these laborers?

Mr. COLTON. The gentleman must not forget that that is for two months' work—not exceeding two months, in most cases not two months. Those figures are based on six weeks or two months' labor.

Mr. RANKIN. And they remain idle the rest of the time?

Mr. COLTON. No. They go to the railroads and to other occupations.

Mr. HUDSON. Will the gentleman yield? Does not that include living quarters?

Mr. COLTON. Yes; they furnish living quarters in most cases.

Mr. RANKIN. And they live in these quarters for six weeks or two months?

Mr. COLTON. As long as they are employed by the farmer.

Mr. BACON. Will the gentleman yield?

Mr. COLTON. I yield.

Mr. BACON. How does the gentleman reconcile this, that from the report of the Colorado Agricultural College that 9 children were working at 6 years of age, 28 at 7 years of age, 91 at 8 years of age?

Mr. COLTON. I am not fully advised, but I understand that the Woman's Club of Colorado took that up and considered the matter and disproved that report. They showed it was only a cursory, hasty, superficial report. Similar charges were brought, also, to the attention of the Michigan Legislature, and they appointed a committee that made an official investigation, and I have here a report of that committee denying the correctness of that statement in so far as Michigan is concerned. I think if the gentleman will look at some of the pictures published in that report he will see the picture of a young boy 9 years old wearing white jacket, short trousers, and, in fact, well dressed. The boy's picture was evidently taken in some city, or perhaps got out of the automobile when it stopped and had it taken. The report is full of inaccuracies. It is misleading.

I hold no brief for anyone who exploits child labor, but I can speak for my State, and I think I can speak for my neighbor State of Colorado, and I am somewhat acquainted with the great State of Michigan, where I lived for three years, and I assure you that the people of those States are just as jealous of their children and just as anxious for their education as any other States in the Union. [Applause.]

Mr. TIMBERLAKE. Will the gentleman yield for a question?

Mr. COLTON. I yield.

Mr. TIMBERLAKE. In regard to the report that came from Colorado, I think at this time it would be only justice to say that in Colorado the Great Western Sugar Beet Co., against which there have been charges made, will not permit a contract to be made where child labor below 12 years of age is employed. If the grower of beets employs labor below 12 years of age they are never given a contract.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. COLTON. I yield.

Mr. CLARKE of New York. Is it not a fact that many of these alleged Mexicans are Russians?

Mr. TIMBERLAKE. Russians are employed in the work as well as Japanese.

Mr. COLTON. A few years ago, before the restrictive immigration act was passed, many men from northern Europe were employed. They were skilled in that kind of labor, but since the restricted immigration law has been passed, a number of farmers have been compelled to go to the border States and get their labor when they could not get it from the American cities.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield?

Mr. COLTON. Yes.

Mr. WOODRUFF. The gentleman is familiar with the conditions that have been discussed on the floor here relative to this matter. Does he know of any instance where any aliens, we may term them Mexicans or otherwise, who have come to the beet fields anywhere who are unlawfully in the country?

Mr. COLTON. I do not.

Mr. LAGUARDIA. Are we to understand the gentleman to say that the picture of the boy with shoes and stockings and a white shirt and tie is proof absolute that he could not be the son of a worker in the beet fields?

Mr. COLTON. Not at all, but I am simply saying that this picture was published to prove that children were employed, and the picture itself is misleading.

Mr. LAGUARDIA. I agree that no child dressed in that way is the son of a worker in the beet fields.

Mr. COLTON. They are not dressed that way while working. Most of them are dressed comfortably. They have as good clothes as the children of other workers.

Mr. CRAMTON. Mr. Chairman, will the gentleman yield?

Mr. COLTON. Yes.

Mr. CRAMTON. I am sure if the gentleman from New York [Mr. LAGUARDIA] will travel a radius of 1 mile from his own district in New York City he will find more child labor in the sweatshops of New York than he can find in all of the beet fields of the West.

Mr. LAGUARDIA. Mr. Chairman, that statement is absolutely inaccurate. We have a real child labor law in the State of New York, and it is enforced. That statement is absolutely without foundation, and I resent it.

Mr. COLTON. I am sure the gentleman from New York will not infer that the child labor laws of the Western States are not also enforced?

Mr. O'CONNOR of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. COLTON. Yes.

Mr. O'CONNOR of Oklahoma. I am not in a sugar district. I lived for 20 years in Colorado, in northern Colorado. I never saw a child that was hurt in body or mind by working in the beet fields. They have the best climate in the world there. It does not hurt a child to go out on its hands and knees and help cultivate the crops of the country. If you want to solve your crime problem, let me say that it does not arise in your Colorado beet fields, but in the slums of your cities. We do not raise people out there for bootleggers or marksmen in preparation for a life in Chicago. Send your slums out there, and we will make Americans out of them.

Mr. COLTON. Mr. Chairman, I must pass to the consideration of another question. In the first place, we must not forget that we are dealing with an agricultural problem; and the raising of beets, in fact the production of sugar, is essentially an agricultural problem.

NECESSITY OF TARIFF PROTECTION OF AMERICAN INDUSTRIES WAS EARLY RECOGNIZED

When our forefathers came to America to build their homes and a new civilization they had definite ideas of religious, political, and economic liberty and freedom from oppression and interference. It was on this continent that they were to try that new experiment in government of the people, by the people, and for the people. The success of this great experiment has led many modern nations to gradually conform with this type of government.

It was early recognized by our forefathers that to be politically free and independent it was necessary to be economically free and independent. They saw clearly that if we were to be a self-governing people, free from control and domination of foreign countries, that we must be practically a self-sustaining people. It was obvious, even in the early days of this Nation, that if we desired to develop into a strong and independent nation that we should not be dependent upon any other nation or nations for economic necessities.

Our aim for political independence found expression in the Declaration of Independence and the Constitution of the United States. Our hope for national economic independence found expression in one of the first acts of the Congress of the United States.

One of the purposes of the tariff act of 1789 was to encourage the industries of the United States. In the Congress which passed that act sat many men who helped frame the Constitution of the United States and who knew first hand that the aim was to create this new Nation as an independent political and economic unit. The great success of this Nation has from the beginning been largely dependent upon the protective tariff.

PROTECTIVE TARIFF HAS HELPED TO MAKE UNITED STATES A GREAT NATION

In this great, free, and independent political entity every citizen shares in the sovereign power. Likewise, in this independent economic system every citizen or producer benefits from its success. This Nation must be independent of any other country or countries for the essentials of life, and its people must be self-supporting and self-contained if the high standards of living which we have set for our goal are to be achieved. Our 48 States are united into a single Nation. We hold an enviable position among the nations and the peoples of the world. Our protective tariff has been one of the greatest factors in making us great. Self-preservation is one of the first laws of nations as well as nature. No nation can long endure which does not take every possible step to make itself economically independent.

POLICY OF PROTECTION NOW FIRMLY ESTABLISHED AS POLICY OF THE UNITED STATES

The industries of the United States have been protected to a greater or less degree ever since the birth of this Nation. A few persons in this country, usually theorists or dreamers, have from time to time since 1776 argued that this country should adopt the policy of free trade and remove all customs duties on imports. The influence of such persons has been negligible. The country has never tried anything approaching free trade, nor has the country seriously considered trying it, and probably never will.

Tariff for revenue only and competitive tariffs have been urged upon the citizens of this country at various times in our history, but only for short intervals have either of such tariff theories been tried out. And each time they have been fairly tried on their merits they have proved disastrous experiments that destroyed domestic prosperity and threatened the economic foundations of the Nation. This country is therefore committed to the protective-tariff policy, and that tariff

must be sufficiently high to permit the industries, under reasonable methods of production and a reasonable cost, to survive.

To-day, after more than 100 years of experience with a protective-tariff policy, the great majority of the people of this the greatest of all nations have decreed by their votes that protection shall be the policy of the United States; and I believe that it shall be so, not only now but for all time to come. The economic policy of the United States is to protect the domestic industries for the purpose of encouraging them to increase efficiency and production and to help them to meet the competition of our domestic markets of the industries of foreign countries paying lower wages and having cheaper lands and lower standards of living. This is the policy of the Republican Party. As a consequence of this policy the country has become economically independent, so far as its supply of most manufactured commodities is concerned. It has been enabled to give employment to the vast urban and semiurban population on a scale of wages, whether measured in gold or in purchasing power, unequaled elsewhere in the known history of the world. The Grand Old Republican Party is proud of its child, the protective tariff, or the United States tariff policy. This will be and ought to be the policy of the administration in the new tariff law now under consideration.

PRESENT TARIFF ADJUSTMENTS ARE FOR THE PURPOSE OF PERFECTING POLICY OF PROTECTION

In order to keep the rates of duty on imported articles up to date and sufficient to offset the competitive advantages of foreign producers in the ever-changing economic and industrial world, the Government finds it necessary from time to time to adjust the tariff rates so as to maintain adequate and balanced protection for our domestic industries.

One of the principal objects of this special session of Congress is to adjust certain of the tariff rates, especially on farm products, so that they will offset the advantages enjoyed by foreign countries in the principal market or markets in the United States. The domestic sugar industry is one of those agricultural enterprises which needs the tariff adjusted at this time to offset the advantages of the sugar industry of Cuba in the production and marketing of sugar. The growing of sugar beets is one of the important enterprises of my State. I know from personal contact of the necessity for an increase in the tariff on sugar, and I want to show the present conditions of the domestic sugar industry.

FOREIGN GOVERNMENTS ENCOURAGED DEVELOPMENT OF BEET-SUGAR INDUSTRY ABROAD

The raw materials from which sugar is made are sugar beets and sugar cane. The cane-sugar industry is older than the beet-sugar industry. The latter is of comparatively recent origin.

Our Nation is not alone in encouraging the beet-sugar industry. The importance of the beet-sugar industry to any nation in times of war and peace was first recognized by Frederick the Great and by Napoleon. In 1811 Napoleon appropriated 1,000,000 francs to establish beet-sugar production, requiring farmers to plant 79,000 acres of land to sugar beets, and prohibited after 1813 the importation of sugar into France. That established the beet-sugar industry in France and led to its establishment in other European countries.

The most rapid progress, after the successful establishment of the industry in France, was made in Germany. Legislation in Germany was consistently encouraging the industry, the agricultural conditions were favorable, the sugar content of beets was increased by means of selection, and advances were made in the manufacturing process through the aid of German scientists. In 1879 Germany surpassed France as a beet-sugar producing country, and since then has led the world in its production. Beet-sugar production is now a part of the agricul-

tural and industrial life of practically all of the European countries.

BEET-SUGAR INDUSTRY NEEDED IN UNITED STATES

Dr. John A. Widtsoe, one of the great authorities on agriculture, in a recent letter comments as follows:

I can quite understand your anxiety with respect to the sugar situation; but our beet-sugar industry must be preserved. I think you have already found that those who are best acquainted with the agricultural industrial needs of the United States agree that the sugar beet holds the chief position in our agricultural future. I wish I could meet some of the people who are attempting to destroy the sugar-beet industry and give them the facts in the case. It would do my soul good whether it made converts or not. Successful agriculture of an intensive character, the kind that will determine ultimately the persistence of our Nation, requires a rotation of crops. In the rotation a crop like the sugar beet is indispensable for the maintenance of soil fertility and the cleansing of the soil from weeds and other pests. If the sugar beet is removed, other similar crops must be found to take its place. There are few such crops in existence, and none that so well fit a large part of our country lying under a temperate climate—besides, it is one of the best cash crops now grown by the farmers anywhere. There are scores of other arguments in favor of the sugar beet. I am not half so much concerned about the beet-sugar industry as I am about our agriculture as a whole. The sugar beet is a determining crop in our agricultural prosperity over a large part of the country. Instead of eliminating it from our agricultural practices by prohibitive legislation, we should rather see to it that it is extended far and wide.

The development of the beet-sugar industry in the United States is definitely connected with the tariff on sugar. From early in our history our citizens have been anxious to develop a diversity of profitable farm crops. They saw the necessity of a wide variety of domestic farm products if the agricultural possibilities of our country were to be developed and a balanced national prosperity obtained. The beet-sugar industry offered an opportunity to diversify the farm crops, and consequently was a most desirable addition to American agriculture.

After the settlement of Utah in 1847 the pioneers endeavored to establish the beet-sugar industry as well as other industries. In the forties it was necessary to haul all manufactured goods from the Missouri River to Salt Lake City by team. Sugar ranged in price from 40 cents to \$1 per pound. To remedy this situation sugar-factory machinery was brought by boat from England to New Orleans and then up the river to Fort Leavenworth, Kans. From that point 52 ox teams were used for two months to haul the machinery to Utah. Difficulty was encountered in getting the sugar to crystallize and only sirup was made. This early Utah project was finally abolished in 1855.

It was not until after 1890, under a protective tariff, that beet-sugar production finally became generally successful in the United States. The industry was fostered by the Government and considerable sums were expended by the United States Department of Agriculture to encourage its establishment. Early attempts by various people had failed because of insufficient tariff protection, unfavorable economic conditions, poor quality of beets, or defective machinery. Finally, in 1870, a successful factory was built at Alvarado, Calif.; in 1888, a factory was built at Watsonville, Calif.; in 1890, a factory was built at Grand Island, Nebr.; and in 1891, one at Norfolk, Nebr., and another at China, Calif. From that time on the industry has grown in the United States to its present dimensions.

I want to insert into the RECORD here a table of statistics that shows the number of tons of sugar produced in the United States, Porto Rico, Hawaii, Virgin Islands, Philippine Islands, and Cuba in the years from 1890 up to 1928, inclusive. The table shows the relative growth of the sugar industry in the United States and its possessions and in Cuba.

Production of sugar in the United States, Porto Rico, Hawaii, Virgin Islands, Philippines, and Cuba in the years 1890 to 1928¹
[Short tons of 2,000 pounds]

	United States				Porto Rico	Hawaii	Virgin Islands	Philippine Islands ²	Total for islands	Total United States, Porto Rico, Hawaii, Virgin Islands, and Philippines	Cuba
	Beet	Louisiana cane	Other Southern States	Total							
Fiscal year ending June 30—											
1890.....	3,874	241,745	6,840	252,459	61,600	129,894	.....	159,659	351,153	603,612	708,252
1891.....	6,002	180,250	5,040	191,292	56,000	146,174	.....	152,357	354,531	545,823	915,018
1892.....	13,542	243,628	5,600	262,770	78,400	122,279	.....	278,659	479,338	742,108	1,093,120

¹ From Concerning Sugar for the years 1890 to 1918, inclusive, and from Willett & Gray's Weekly Statistical Sugar Trade Journal for the years 1919 to 1928, inclusive.

² Figures prior to 1910 are export figures for the Philippine Islands.

Production of sugar in the United States, Porto Rico, Hawaii, Virgin Islands, Philippines, and Cuba in the years 1890 to 1928—Continued

	United States				Porto Rico	Hawaii	Virgin Islands	Philip- pine Islands	Total for islands	Total United States, Porto Rico, Hawaii, Virgin Islands, and Philip- pines	Cuba
	Beet	Louis- iana cane	Other Southern States	Total							
Fiscal year ending June 30—Contd.											
1893.....	22,596	297,737	7,676	328,009	56,000	182,621	-----	288,276	496,897	824,906	913,801
1894.....	22,503	355,414	9,283	387,200	67,200	166,432	-----	232,196	465,828	853,028	1,180,720
1895.....	32,726	266,248	5,570	304,544	58,800	149,627	-----	376,402	584,829	889,373	1,124,776
1896.....	42,040	315,850	6,238	364,128	56,000	225,828	-----	253,433	535,261	896,389	252,253
1897.....	45,246	347,701	6,425	399,372	64,960	251,126	-----	222,767	538,853	938,225	237,497
1898.....	36,368	278,497	5,897	320,762	60,480	229,414	-----	199,318	489,212	809,974	342,208
1899.....	81,729	159,583	1,691	243,003	60,285	282,807	-----	94,608	437,700	680,703	375,948
1900.....	86,082	308,648	3,238	397,968	39,200	289,544	-----	71,860	400,604	798,572	317,689
1901.....	184,606	360,277	4,048	548,931	81,536	360,038	-----	62,250	503,824	1,052,758	686,310
1902.....	218,406	368,734	4,169	591,309	103,152	355,611	-----	108,683	567,446	1,188,755	967,447
1903.....	240,604	255,894	22,176	518,674	100,576	437,991	-----	94,035	632,602	1,151,276	1,124,327
1904.....	242,113	398,195	16,800	657,108	138,096	367,475	-----	95,959	601,530	1,258,638	1,179,218
1905.....	312,921	377,162	13,440	703,523	151,088	426,248	-----	119,598	696,934	1,400,457	1,331,012
1906.....	483,612	257,600	14,560	755,772	214,480	429,213	-----	142,697	786,390	1,542,162	1,390,932
1907.....	463,628	380,800	13,440	857,863	206,864	440,017	-----	141,003	787,884	1,645,747	1,626,199
1908.....	425,884	397,600	16,800	840,284	230,095	521,123	-----	159,541	910,759	1,751,043	1,102,130
1909.....	512,469	320,526	11,200	844,195	277,093	535,156	-----	142,558	954,807	1,799,002	1,745,047
1910.....	510,172	342,720	12,320	865,212	346,786	517,090	-----	168,254	1,032,130	1,897,342	2,056,525
1911.....	599,500	352,874	8,000	960,374	249,840	566,821	-----	268,878	1,185,539	2,145,913	1,667,256
1912.....	692,556	153,573	9,000	855,129	371,076	595,258	-----	281,355	1,247,689	2,102,818	2,172,324
1913.....	733,401	292,698	7,840	1,033,939	398,004	546,798	-----	345,077	1,289,879	2,323,818	2,766,173
1914.....	722,054	242,700	3,920	968,674	351,666	617,038	-----	408,339	1,377,443	2,345,717	2,918,838
1915.....	874,220	137,500	1,120	1,012,840	346,490	646,445	-----	421,191	1,414,126	2,426,966	2,921,995
1916.....	820,657	303,900	7,000	1,131,557	483,590	593,483	-----	412,274	1,489,347	2,620,904	3,398,780
1917.....	765,207	243,600	2,240	1,011,047	503,081	644,474	-----	425,266	1,572,921	2,583,968	3,421,597
1918.....	790,950	280,900	3,500	1,045,350	453,794	576,842	-----	474,744	1,505,380	2,550,730	3,889,959
1919.....	755,879	280,898	-----	1,036,777	406,132	601,710	10,080	218,724	1,236,646	2,273,423	4,490,906
1920.....	731,312	220,999	-----	952,311	485,894	569,485	13,888	234,456	1,303,713	2,256,024	4,153,675
1921.....	1,085,749	169,116	-----	1,254,865	491,113	564,562	5,040	286,544	1,347,259	2,602,124	4,406,413
1922.....	1,020,533	324,429	-----	1,344,962	405,935	562,457	5,600	378,739	1,352,731	2,697,603	4,517,471
1923.....	689,848	295,095	-----	984,943	379,070	536,999	1,948	407,049	1,325,066	2,310,009	4,083,482
1924.....	881,683	162,024	-----	1,043,707	447,972	701,432	2,612	417,012	1,569,028	2,612,735	4,606,222
1925.....	1,091,087	88,482	-----	1,179,569	680,531	775,940	8,064	650,792	2,095,327	3,274,896	5,812,065
1926.....	900,972	139,381	-----	1,040,353	606,463	789,992	6,344	488,320	1,891,119	2,931,472	5,523,946
1927.....	987,396	47,165	-----	1,034,561	630,200	811,331	7,926	654,347	2,103,804	3,138,365	5,049,632
1928.....	1,081,070	70,792	-----	1,151,862	744,800	865,760	8,960	667,657	2,287,177	3,439,039	4,526,878

* 20 per cent tariff reduction by United States.

* Crop restricted by Government decree, removed 1928.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. COLTON. Yes.

Mr. RANKIN. Could the gentleman give us some statistics on the production of beet sugar in Canada?

Mr. COLTON. I have not the figures available just now.

Mr. RANKIN. I wondered if the gentleman could give us a rough outline of the amount of sugar produced from beets in the Dominion of Canada?

Mr. COLTON. It is a growing industry in that country, but I could not give the figures without some research.

Mr. RANKIN. The climate up there will not militate against the raising of sugar beets?

Mr. COLTON. No; I think not, at least in some parts.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. COLTON. Yes.

Mr. GARNER. Would the beet-sugar interests of the country be willing to stabilize the price of sugar around 5 cents?

Mr. COLTON. Of course, I can not speak for them authoritatively, but I should say they are anxious to stabilize at some fair price.

Mr. GARNER. A suggestion has been made, and I have had it worked out, and I am going to offer an amendment if I do not change my mind about it—that is, if I get a chance—to stabilize the price of sugar in New York at \$4.80. That is to say, within the range of material tariff at the customhouse at New York the stabilized price would be \$4.80. For instance, if they brought in sugar from Cuba one day and sold it for \$4.80 in New York, and a shipload came in next day they would not pay a tariff at all; but if they sold at \$3.50 they would pay the difference between \$3.50 and \$4.80. What do your people say about that?

Mr. COLTON. If we could stabilize it and be assured of a fair price, we would be satisfied. We are not seeking to create an artificial stimulus beyond a reasonable price.

Mr. GARNER. You will either take that or keep the law as it is, because your side of the House will not give you 3-cent sugar.

Mr. COLTON. I have such an abiding faith in the wisdom and fairness of the Republican Party that I believe when they understand the situation they will provide us with all we ask in this bill, if not more.

Mr. GARNER. You had better take something sensible and stabilize the price of sugar.

Mr. COLTON. Perhaps your Democratic friends will come in and help us get relief.

Mr. GARNER. You think you already have strength enough here to get it, but you will find you have not.

Mr. COLTON. We will see. I repeat again, that I have such an abiding faith in the everlasting good sense and fairness of the Republican Members in this House that I am confident that we will get what we ask.

Now, I am going to show that the rates proposed in this bill instead of being prohibitive, as has been charged, are absolutely necessary for the life of this industry, and that we really need more than the rates that has been proposed in order to protect the industry and make it prosper as it should.

Mr. RANKIN. Mr. Chairman, will the gentleman yield there?

Mr. COLTON. Yes; I yield.

Mr. RANKIN. If the proposition laid down by the gentleman from Texas [Mr. GARNER] should be adopted, and Canada can expand her beet-sugar fields to an unlimited extent almost, would not that simply mean that Canada would ship beet sugar into this country?

Mr. COLTON. Not if we have a tariff.

Mr. RANKIN. If that stabilization plan is carried out and Canada has all the land and all the labor it needs for the production of beet sugar they could furnish the beet sugar for the people of this country.

Mr. COLTON. Well, that takes us into a field of uncertainty. The whole plan is uncertain. For 100 years this country has followed the well-beaten track of protection. It seems to me the effective reply to all of this is that we need a tariff that will insure to the American farmers a sufficient return, so that we can afford to produce the sugar needed in this country. At this time we do not want any experiments.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. COLTON. Yes.

Mr. LaGUARDIA. I agree with the gentleman that if this tariff is given to the beet growers the farmers will be able to produce enough sugar to supply the normal demand of the country. But in that event what will we do with the Philippines and Hawaii and Porto Rico?

Mr. COLTON. I am coming to that soon. But before I answer that question let me say this, that the gentleman from New York, who the other day so eloquently pleaded for the childhood of America, must not forget this, that the interests he speaks for are not primarily American. I mean the financial interests. If the gentleman's plan is carried out, it will drive out of existence the American farmer-produced sugar. If that plan is carried out, what then will be the price of sugar to your children? That is the important question. We have had some experience by which we can judge. As I have already pointed out in 1920 and 1922, these very interests who are now fighting the tariff on sugar were the ones who forced the price of sugar in this country up to 22 cents a pound. That is the protection we shall get for the childhood of America if you ever turn sugar production and control over to foreign interests.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. COLTON. Yes.

Mr. KETCHAM. Referring to that increase to 22 cents a pound in 1920 and 1922, how many years would it take for us to offset that loss if this tariff act is passed? It will take at least 40 years.

Mr. COLTON. I think the gentleman is correct.

Mr. BACON. Mr. Chairman, will the gentleman yield?

Mr. COLTON. Yes.

Mr. BACON. The Tariff Commission made an investigation of this matter and recommended a reduction of the tariff on sugar. I would like to have that explained.

Mr. COLTON. If the gentleman will look into the records of the Tariff Commission in that connection, he will find that it was not a unanimous vote. He will find that the low-tariff men on the commission recommended a lower tariff and that the other men, who believed in a protective tariff, did not join in that recommendation and preferred a higher rate, and the President refused to act on the recommendation of the low-tariff men.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. COLTON. May I have 15 minutes more?

Mr. HAWLEY. I yield to the gentleman 15 minutes more.

DOMESTIC SUGAR INDUSTRY MUST HAVE TARIFF PROTECTION

At times the growth of the domestic beet-sugar industry has been rapid, at times slow, and at times the industry has suffered actual setbacks. The growth and even the very existence of the industry have always been dependent upon protection from the destructive competition with cane sugar imported into the United States from Cuba and the Philippines. During the period 1906-1910 the production of beet sugar in the United States for the first time surpassed the production of cane sugar. Since then the beet-sugar industry has been expanding, until in certain recent years the annual domestic beet-sugar production has exceeded 1,000,000 tons. The domestic beet-sugar industry has made great strides in economy and efficiency of production. The percentage of sugar extracted from the beets has been increased and the machinery and processes of manufacture have been greatly improved. The industry has taken full advantage of the scientific discoveries of the world.

In spite of the progress it has made in the past in efficiency in growing sugar beets and manufacturing sugar, the domestic sugar industry at the present time is at a standstill and its very existence is threatened by the ever-increasing importations of low-cost cane sugar from Cuba and the Philippine Islands.

If this great national industry is to be kept alive and growing in the United States as our needs for sugar expand, something must be done now to encourage it and to offset some of the advantages in competition that now exist in favor of the Cuban and Philippine sugar industries. The most effective means of putting this most valuable domestic industry on its feet is to give it an equal opportunity in the domestic markets with sugar imported from Cuba and the Philippines by increasing the duty on Cuban sugar to at least 2.4 cents a pound. Personally, I believe we are doing the people of the Philippine Islands an injustice by permitting the continued production and continued unlimited importation of sugar from those islands. We are holding out the hope to them that we will soon grant them independence. In this hope I also share. However, when the day does come it will be necessary for us to protect ourselves against importation of sugar from those islands. The plan of early independence for the Philippine Islands is not compatible with continued free importation of sugar.

PRODUCTION OF SUGAR BEETS IMPROVES AGRICULTURE

Beet-sugar production is primarily an agricultural industry. The agricultural phase is of predominant importance. Of the

total number of laborers employed in the domestic industry, 88 per cent are employed in the agricultural processes and but 12 per cent in the factories. Approximately 57 per cent of the total investment in all branches of the industry is in the agricultural end of the production. The farm cost of growing the beets is approximately 50 per cent of the total cost of refined beet sugar.

It is recognized that beet-sugar production has important beneficial effects from an agricultural viewpoint, requiring careful preparation of the soil, deep plowing, and intensive methods of cultivation. Sugar beets are a valuable rotation crop, contributing to diversified farming and often resulting in increased yields of other crops. Fourteen hundred and eighty farmers reported to the Tariff Commission that they had unusually good results with small grains following sugar beets on the same land and a majority of farmers had especially good hay crops when seeded on beet land.

It will therefore be seen that the farmer will be benefited in three ways by the passage of this bill: (1) He will continue to receive at least the present contract price, and it is hoped that it will be even better than that; on the other hand, without this increase in tariff, the amount he now receives from the sugar companies will be reduced, because under the present price the sugar factory can not continue to pay the present contract price; (2) he receives the assurance that the sugar factory will not be forced out of business and the market he now enjoys will not be entirely destroyed; and (3) the farmer will not be forced to plant his land to those crops of which a surplus is being raised.

AN ADEQUATE TARIFF ON SUGAR IS A DIRECT BENEFIT TO BEET FARMERS AND AN INDIRECT BENEFIT TO ALL OTHER FARMERS

We have talked much about farm relief during the past six or seven years. Let me illustrate how farm relief can be promoted in the States where sugar beets are grown.

During the four years 1925-1928, an annual average of 673,000 acres of beets were harvested in the United States. Calculated on the basis of the average yield of beets per acre for those years and the average number of pounds of sugar extracted from a ton of beets during that period, it would have required each year 2,512,147 acres of sugar beets grown in the United States to produce the amount of sugar that was imported from Cuba for consumption in the United States during those years, or three and seven-tenths times the present acreage of sugar beets harvested in this country. The sugar-beet growers of this country told the Tariff Commission that they could increase their present acreage of beets if it were made profitable to do so by a tariff or otherwise, from 50 to 270 per cent in the various States, without greatly changing their present type of farming. The adjustment of the tariff on sugar so that some of these farmers now growing beets could profitably grow a larger acreage would reduce their acreage of other crops that compete with beets for the use of the land and bring about a readjustment that would benefit not only the sugar-beet farmers but the farmers growing such other crops as alfalfa and other hay, beans, small grains, potatoes, corn, and truck crops. Such farm relief is practicable and in the interest of the country as a whole.

FARMERS SURE TO SHARE BENEFITS OF TARIFF ON SUGAR

I have already shown that the sugar industry is distinctly an agricultural industry and that farmers have at least as great an interest as the manufacturers in its prosperity. Under the present agreements between the farmers and the factories for the payment for the sugar beets, the farmers are assured of their full share in the benefits of the tariff.

Sugar beets are now almost universally purchased upon a sliding price scale based upon the market price of refined sugar. Thus all factors affecting the price of sugar are reflected in the farmer's price of sugar beets and in turn in his profits from the crop. As a farm-relief measure, an adequate tariff on sugar is not a doubtful one. Congress may be assured that it will be effective and that the farmers will get their full share of the benefits from it.

CUBAN SUGAR ENJOYS INDUSTRIAL ADVANTAGES THAT MUST BE OFFSET BY OUR TARIFF IF THE DOMESTIC SUGAR INDUSTRY IS TO HAVE AN EQUAL OPPORTUNITY IN OUR DOMESTIC MARKETS

Under the present tariff of 1.76 cents per pound Cuban sugar has such an advantage in the principal sugar markets of the United States that the domestic sugar is unable to reach those important domestic markets. This condition, if affecting any other industry in the United States, would not be tolerated. The domestic sugar industry should not be compelled to suffer such extreme handicaps any longer.

In recent years practically all of our dutiable imports on sugar have come from Cuba. Of the total sugar consumed in the United States in 1926 and 1927, 58 per cent and 55 per cent, respectively, was imported from Cuba. Cuba is per-

mitted, under the present rates of duty on sugar, to furnish an ever-increasing percentage of the total sugar consumed in the United States; while the percentage that is furnished by the domestic sugar industry has been gradually but surely forced to decline.

During the World War the havoc that was wrought to the beet-sugar industry of Europe gave a tremendous stimulus to the production of sugar in Cuba. The high prices for sugar that prevailed during the war brought about an overburdening surplus production in Cuba which, at the close of the war and ever since, has threatened to destroy the sugar industry of the United States, as well as to prevent the reestablishment of the beet-sugar industries of Europe.

The governments of Great Britain and Europe have taken drastic steps to reestablish and to rebuild the beet-sugar industries in their respective countries. The reestablishment of the sugar industries in those countries by the aid of high tariffs, export bounties, and government subsidies has forced this great surplus of Cuban sugar to seek other markets. This has forced the prices of sugar down to levels lower than have been experienced in 20 years, the prices of raw Cuban sugar in New York at the present time being 2 cents a pound and less. An unofficial estimate places Cuba's 1929 crop at about five and one-half million tons, or an increase of more than 900,000 tons over her production in 1928. This condition is threatening annihilation of the domestic sugar industry and must be offset by an additional tariff on sugar.

Now I come to the question of our relationship with Cuba and the Philippine Islands. Conceding that it is the policy of the country to develop the sugar industry, then let us examine some of the conditions under which sugar is produced in the two countries. Let us mention some of the specific advantages of the Cuban sugar industry that must be offset by the customs duty on sugar. In Cuba from 6 to 30 crops of cane are cut in a single planting. In Louisiana 2 to 3 crops of cane of the old varieties and 4 to 5 crops of the new varieties are harvested without replanting. Sugar-beet seed must be planted annually.

Cuban and Hawaiian producers recover from 220 to 250 pounds of sugar per ton of cane. Louisiana producers recover from 130 to 150 pounds of sugar per ton of cane. The yield of sugar per ton of beets varies from 200 to 300 pounds and averages about 254 pounds.

Cuban cane yields on an average about 20 tons per acre. The yield in Hawaii averages about 40 tons and in Louisiana from 18 to 20 tons. The average yield of sugar beets varies from 9 to 12 tons per acre.

In Cuba cane grows from 12 to 14 months between harvesting periods. Louisiana cane is harvested every 12 months. It has a growing period of 9 to 10 months and a dormant period of 2 or 3 months. Hawaiian cane grows from 18 to 24 months between cuttings. The growing period of sugar beets is about 9 months.

Most Cuban cane is grown by colonos, who sell it to the sugar-grinding companies at a price based upon the average price of sugar prior to or at the time delivery is made. The price paid for cane in Louisiana is approximately \$1 for each cent for which sugar sells on the New Orleans market. The Cuban colonos receive from 4½ to 7½ pounds of sugar per 100 pounds of cane or the equivalent in cash based upon the promedio or average price of sugar at the nearest port. The domestic sugar beets are grown by American farmers maintaining American standards of living, with additional contract labor. Practically all of the beets are sold on contract at the minimum price of \$7 per ton of beets plus whatever additional amount is warranted by the price received from the sale of the sugar made from the beets.

While wages alone are only roughly an index of the cost of production, it may be noted that according to the sugar hearings before the Tariff Commission, 1924, the average farm-labor wage in Cuba was given by a representative of the Cuban producers as \$1.25 per day. According to the United States Department of Agriculture, farm-labor costs in Louisiana in 1923 varied from \$1.60 to \$1.75, and in 1927 from \$1.55 to \$1.60 per day; and in the sugar-beet producing States in 1923 from \$2.60 to \$3.55, and in 1927 from \$3 to \$4.40 per day without board.

The cost of housing Cuban laborers is much lower than the cost of housing beet farmers and beet-farm laborers in the United States because of differences in climatic conditions and in standards of living in the two countries.

By the way, before I forget it, some gentlemen have made a mistake in discussing these problems by including Hawaii and referring to them as possessions, as if the Hawaiian Islands were not entitled to the same protection as the United States. By a decision of the Supreme Court the Hawaiian Islands are declared to be an integral part of the United States, and must

not be considered as insular possessions in the least degree. [Applause.]

Mr. SIMMONS. Mr. Chairman, will the gentleman yield there?

Mr. COLTON. Yes.

Mr. SIMMONS. I wish to say to the gentleman that I went through a cane-sugar mill in the island of Haiti, where the wage scale is 20 cents a day in American money. That is the kind of competition with which the American people are asked to compete.

Mr. COLTON. Yes. That simply illustrates the need of protection. In this discussion no one has seriously contested the proposition that the sugar industry in America is in a languishing condition. Its need for help is admitted.

No one can challenge the proposition that it needs help. The only question that arises now is will that help make such an additional charge upon the American public that it will become burdensome to such an extent that we can afford to kill the industry rather than pay the tariff. I think not.

Mr. HUDSPETH. Will the gentleman yield?

Mr. COLTON. Yes.

Mr. HUDSPETH. I call the gentleman's attention to the fact that since the emergency tariff bill was passed in 1922 sheep have increased in the United States 10,000,000 head and wool 100,000 pounds. If we should provide a tariff on sugar such as the gentleman is suggesting, what, in his opinion, would be the increase of the sugar industry in his State? What is the gentleman's judgment relative to the increased production of sugar in his State?

Mr. COLTON. No doubt the increase will very greatly stimulate it. If we will sufficiently protect the sugar industry, it will more than double the production in this country and perhaps produce all we need.

Mr. HUDSPETH. In the United States?

Mr. COLTON. Yes. We are producing as high as a million tons of sugar now, and I am sure it will be safe to say that with a reasonable tariff it will more than double, and I am not sure it will not be sufficient to supply the sugar needs of this country.

Mr. HUDSPETH. The gentleman represents quite a stock-growing State. Now, when they took the tariff off of hides in 1909 there were imported into this country at that time about 400,000 hides, and within the next two years they increased to 1,600,000. Now, if we should place a duty on hides, what, in the gentleman's judgment, will be the result; will it stimulate the livestock production?

Mr. COLTON. It will stimulate it to a great extent.

Mr. HUDSPETH. Then I take it my friend is for a moderate duty on hides?

Mr. COLTON. I certainly do.

Mr. COLE. Will the gentleman yield?

Mr. COLTON. Yes.

Mr. COLE. Will the gentleman give us some information about these high dividends declared by the beet-sugar companies? Do they make those extravagant profits?

Mr. COLTON. I will say, in answer to the gentleman, that it has been charged that one company in the last three or four years has paid high dividends. There has been some charge made that the Great Western has paid exorbitant dividends. I have gone into that matter somewhat and find that on the capital invested the company has not paid exorbitant dividends; that it has paid between 7 and 8 per cent only on the capital invested; but that company is particularly well favored. I have nothing to say against the Great Western. It is situated in the best beet-growing section of the United States. I will say this, however, in passing, that they have been of very great help to the sugar producers of this country. They have always had an attitude of cooperation and helpfulness. They have made helpful experiments, and as soon as any particular discovery had been made they have passed it on to their competitors, or, rather, to their neighbors. If they have discovered any helpful machinery, they have been very glad to let the others have the benefit of the discovery. The Great Western Sugar Co., since the mines of Colorado has partly closed down, has been one of the greatest boons imaginable to Colorado. They pay out to the farmers of that State perhaps \$50,000,000 each year. They are entitled to make a fair profit, but the claim as to exorbitant profits is not justified by the facts.

Now, one other thing, in answer to the gentleman from New York. We found ourselves as the protectors of Cuba, in one sense, when the Spanish-American War closed. We have helped to put that country upon its feet, however, and it is now one of the most prosperous countries in the world. How long are we expected to keep on giving to that country benefits that are not given to any other country in the world? I have the

kindest feelings for Cuba, but Cuba is walking alone now and she receives twice the benefit under the treaty that the United States receives; in other words, the exports from Cuba to this country that share the benefits of the 20 per cent differential are double the amount of exports into Cuba from this country that get the benefit of the 20 per cent differential. I shall give a summary of the Tariff Commission's findings with reference to the working of that treaty, and you will find that they have shown conclusively that the benefits are all on one side; that the benefits are for Cuba and not for America; and how long, I ask you, shall we continue to extend those benefits, particularly when they are to the detriment of one of the most fundamental and necessary industries in this country? Personally I believe the time has come when Cuba should walk alone. If that treaty continues to discriminate, as it does, against the American farmer I am in favor of the abolishment of the treaty.

Mr. BURTNESS. Will the gentleman yield?

Mr. COLTON. For a question; yes.

Mr. BURTNESS. On the question of reflecting the benefits back to the farmer, I want to ask the gentleman whether he does not believe the farmers can very well protect themselves in the making of their contracts with the sugar-beet companies and whether they are not doing so, especially in view of the fact that the compensation given these farmers heretofore has been so low that they have not been anxious to raise beets at all, and they must have an equitable price in order to be willing to raise beets?

Mr. COLTON. That is very true. The question has been raised whether this increased duty would be reflected in the farmer's price of beets. In practically every case the beet growers have a contract on a sliding-scale price, and whenever the price of sugar increases then under this contract the grower of the beets gets a raise in his price. So there is no question, so far as the duty on sugar is concerned, and if the price of sugar is increased it will be reflected in the price paid to the farmer for his beets.

Mr. GREEN. Will the gentleman yield?

Mr. COLTON. Yes.

Mr. GREEN. The same condition obtains in our cane fields in the Florida Everglades. We are increasing the acreage and millions of increased capital are being put into the industry. They are entitled to this protection, and the gentleman is right in his contention that we should protect the cane and beet sugar growers. I am glad the gentleman has championed this cause. [Applause.]

Mr. COLTON. I thank the gentleman for his contribution. Now, just one other thought, and that is that the higher rates of duty on sugar have not been reflected in the price which the consumer has paid for sugar. Competition more than offsets the tariff.

Sugar is cheaper now under the present rate of duty than at any other time for more than 10 years. The increase of this tariff of 0.64 of a cent per pound, even if it were reflected in the price of sugar, would be so infinitesimal that it would scarcely be noticed. In fact, the records disclose that when the price of sugar was high, the poor people buying in small quantities of 10 cents or less, bought more sugar than they buy now. It is a strange thing, but the available facts disclose that even the high price of sugar did not prevent the poorer class of people, who make the small purchases, from buying more sugar.

Let me further call your attention to some pertinent facts. More than half of the total population of the United States—55 per cent, as estimated by the Bureau of the Census for 1927—lives in the Atlantic, Pacific, and Gulf coast States; and more than three-fourths of the total population—78 per cent—resides in the States bordering the Atlantic, Pacific, Gulf, and Great Lakes coasts, the remaining 22 per cent residing in the inland States. It is quite obvious that if an article produced by a domestic industry is to be given anything like an equal opportunity in the principal markets of the United States with an article produced by a foreign industry, it must be given equal opportunity in the principal seaboard markets of the United States. To deny a domestic industry an equal opportunity with a foreign industry in the seaboard markets of the United States is to grant an unreasonable advantage to the foreign industry in our own principal markets and to violently discriminate against such domestic industry in the principal markets of the United States, in which principal markets, by any fair and reasonable interpretation of the protective-tariff policy of this country, such domestic industry is entitled to an advantage. It is only fair to request that the domestic-sugar industry be given an equal opportunity to reach the principal domestic-sugar markets—New York and Philadelphia.

The transportation rate on sugar from points in the vicinity of Denver to New York is \$1.12½ per 100 pounds. The rate from Ogden to New York is \$1.25½ per 100 pounds. The rates from Cuban ports to New York are 14 to 17 cents per 100 pounds. Cuban sugar thus has an advantage over domestic beet sugar produced in the Rocky Mountain States, due alone to lower transportation costs to New York, of about \$1 to \$1.25 per 100 pounds, or 1 to 1.25 cents a pound. Because of the single advantage, among others, of its lower-cost of transportation to Atlantic coast markets, Cuban sugar has a decided advantage in those markets in competition with domestic beet sugar. Under the present tariff and other conditions of competition domestic beet sugar is unable to reach those important domestic markets.

Even if domestic beet sugar be allowed transportation no farther east than Chicago, and more than 60 per cent of the entire population of the United States lives east of Chicago and New Orleans, and 70 per cent of the population resides east of the Mississippi River, Cuban sugar still has an unfair advantage, due to just the one single element of low cost of transportation, not to mention the many other advantages of competition that Cuban sugar enjoys. The transportation rate on sugar from points in the vicinity of Denver to Chicago is 56 cents per 100 pounds, and from Ogden to Chicago 69 cents per 100 pounds. The cost of transporting domestic beet sugar to Chicago exceeds the cost of transporting Cuban sugar to New York by about 40 to 50 cents per 100 pounds, four-tenths to one-half a cent a pound.

The tariff policy of this country must surely recognize that the States where sugar beets and sugar cane are produced are a part of the United States and as such are entitled to an equal chance with foreign countries in the principal sugar markets in the United States. There seems to me to be almost an inherent right recognized by the framers of the Constitution and certainly by the protectionists of this country ever since the first tariff act was passed in 1789, one of the purposes of that act being to encourage domestic industries. If the domestic sugar industry is not to be singled out and flagrantly discriminated against it must be given such tariff protection as will permit it to put its sugar into the principal markets of this country on a basis of equal opportunity in those markets with the imported foreign sugar. The domestic sugar industry is not asking special favors; it is asking merely for equal opportunity and fair treatment.

MORE THAN 3-CENT TARIFF REQUIRED TO EQUALIZE COSTS OF PRODUCTION IN UNITED STATES AND CUBA

In this great country, with our established protective-tariff policy, it is surely not asking too much to request that the tariff on sugar be fixed at such a figure as will equalize the costs of production of domestic sugar, including the cost of transportation of such sugar to the principal domestic sugar markets, and the costs of production of Cuban sugar laid down in those same principal markets of the United States as evidenced by the wholesale prices of such Cuban sugar in said principal sugar markets. That is merely asking for their inherent rights and a square deal. The domestic sugar industry should be given a square deal by this Congress in the new tariff act, and I believe that this Congress is disposed to grant it fair treatment.

A comparison of such costs of production of sugar in the United States and Cuba for 1928 shows that the customs duty necessary to equalize such costs, including transportation on both the domestic and foreign sugar to New York, the principal sugar market in the United States, is a duty of 3.418 cents per pound on one basis of calculation and of 3.354 cents per pound on another basis of calculation.

While there has been no recent investigation made of the costs of production of sugar in the United States and in Cuba, there is evidence of costs of production which is significant and reflects the conditions in the sugar industry.

The average cost and freight price for which Cuban raw sugar sold on the New York market in 1928 was 2.45 cents per pound. Figures are not obtainable for the exact cost of producing beet sugar in the United States in 1928. Beet-sugar producers stated in the recent hearings before the Ways and Means Committee, and I believe it to be true, as to wages increased from 15 to 25 per cent between 1923 and 1927, as I have already shown, that the cost of producing beet sugar has increased somewhat in recent years. The 1928 costs of production of beet sugar were in excess of the average costs for 1921-22 and 1922-23. Therefore the figures obtained by the Tariff Commission in the sugar investigation for the years of 1921-22 and 1922-23, for the purpose of section 315, seem to be conservative, and are surely not excessive for purposes of comparison of costs with 1928.

The Tariff Commission's report on sugar shows that the average farm cost of producing sugar beets for the two years 1921 and 1922 was 2.875 cents per pound of sugar extracted from the beets. The cost of milling the beets and extracting the sugar was found to be 2.782 cents per pound of sugar manufactured. Adding the farm costs of production of the sugar beets and the milling cost of making the sugar shows the average cost of production of refined beet sugar f. o. b. mill for the years 1921-22 and 1922-23 to be 5.657 cents per pound.

It is necessary to determine the costs of production of beet sugar on the raw sugar basis rather than on the refined basis in order to make the direct comparison with the costs of the raw cane sugar imported from Cuba. The average cost of refining beet sugar, as determined by the best information available and shown in the Tariff Commission's report, was 0.8155 cent per pound. Subtracting the cost of refining from the total cost of producing refined beet sugar shows the cost of production of raw beet sugar in the United States f. o. b. mill for these two years to be 4.842 cents per pound.

The weighted average transportation cost by rail from the principal sugar-beet States—Colorado, Utah, and Michigan—to New York, the principal market for sugar in the United States, is 1.026 cents per pound. If this transportation cost is added to the cost of production of raw beet sugar, the total cost of domestic raw beet sugar, including transportation to New York, is 5.868 cents per pound. Of this basis of calculation the domestic costs of raw beet sugar laid down in the principal sugar market in the United States is 3.418 cents per pound greater than the average cost and freight prices at which Cuban raw sugar was laid down in that same market during 1928.

If California sugar is included, which has a water transportation rate of 51 cents per hundred pounds from San Francisco to New York, the weighted average transportation cost from the four States which produced two-thirds of the domestic raw beet sugar in 1928 would be 0.962 cent per pound, showing the domestic raw beet sugar costs, including transportation to New York, to be higher than the average cost and freight price of Cuban raw sugar on the New York market by 3.354 cents per pound.

It is quite obvious that if the domestic beet-sugar industry is to be given anything like a fair chance in the principal sugar markets of the United States that the customs duty on imported Cuban sugar must be fixed at more than 3 cents a pound.

THE RECIPROCITY TREATY WITH CUBA OF 1902 HAS PROVED OF NO BENEFIT TO THE UNITED STATES AND SHOULD BE ABOLISHED

The United States has been extremely generous with Cuba, and particularly with the Cuban sugar industry, since we entered into the reciprocity treaty with her in 1902. Her sugar industry has expanded from a production of 1,124,327 tons in 1903 to 5,812,065 tons in 1925 and 5,523,946 tons in 1926 and to approximately 5,500,000 tons in 1929, or an increase of about 500 per cent.

During the same period the sugar production in continental United States, both beet and cane, was forced to struggle under the handicap of such extreme competition from Cuban sugar in the markets of the United States that it was able only to increase production from 518,674 tons in 1903 to 1,179,569 tons in 1925 and to 1,151,862 tons in 1928, or an increase of about 100 per cent.

Our unwarranted generosity with the Cuban sugar industry has stimulated the growth of the sugar industry in Cuba, the principal competing country, 500 per cent faster than the growth of our own domestic sugar industry.

The advocates of reciprocity with Cuba were the Cuban producers of raw sugar; the American importers and refiners of raw Cuban sugar; the domestic manufacturers of cotton goods, woolen goods, machinery, and so on, who expected to profit by enlarging their market by the preferential tariff rates on such goods imported into Cuba; and others directly interested in the trade with Cuba. The Cuban tobacco interests were also active in favor of reciprocity.

Opposed to reciprocity were the American farmers, especially those growing sugar beets and sugar cane; the beet and cane sugar manufacturers; and tobacco growers; manufacturers of cigars, cigarettes, and chewing tobacco; the United States Department of Agriculture; and others interested in the domestic sugar and tobacco industries.

The general public was inactive and divided on the question. In other words, the question of reciprocity with Cuba is in fact the question of the tariff on sugar and tobacco and finds the same interests involved—sugar against sugar, tobacco against tobacco. The Cuban sugar interests wanted the tariff reduced or removed and the domestic beet and cane sugar interests wanted the tariff sufficient to protect the domestic industry from the destructive competition of Cuban sugar in the markets of the United States.

The hearings before the Ways and Means Committee of the Fifty-sixth Congress, first session, on the reciprocity treaty with Cuba shows these interests arrayed against each other in practically the same way as they have always been arrayed at the time of general revision of the tariff by the Congress.

The treaty was urged for political and commercial reasons. It was pointed out that Cuba would be greatly benefited, and it was also urged that the United States would gain by the increased exports from the United States to Cuba.

The Tariff Commission, in its recent very thorough and excellent report on the Effects of the Cuban Reciprocity Treaty of 1902, summarizes as follows the arguments that were urged against the treaty before the Ways and Means Committee of 1902 and shows that the effects of the treaty were forecast by the domestic-sugar producers.

Those who opposed the removal or reduction of import duties on sugar and other products of Cuba based their case on the following grounds:

1. That some \$130,000,000 had been invested in the domestic-sugar industry of the United States on the strength of encouragement from the Government and of party pledges, and that this investment should be safeguarded by maintaining the policy of protection.
2. That the beet-sugar industry of the United States was still at the very inception of its development. It was, however, on a sound basis, as shown by the progress made during the 10 years preceding in spite of adverse conditions.
3. That this industry had reached a point where its importance was recognized and that, if the established tariff rates were left unchanged for not less than 8 or 10 years, production of beet sugar in the United States would so develop that the industry could "stand alone without protection."
4. That it was desirable to reduce the importation of sugar into the United States and to foster the home production of this necessary article of consumption.
5. That, to do so, the American farmer needed "continued protection against tropical competition," this being the first instance of a direct benefit for agriculture derived from the tariff.
6. That sugar-beet raising, particularly adaptable to the Western States, was a profitable money crop for farmers and of value for crop diversification and rotation.
7. That the development of the sugar-beet and beet-sugar industry would give employment to many people and would bring about a corresponding increase in sales of agricultural implements, machinery, and factory supplies.
8. That the beet-sugar producers of the United States were suffering from low prices just as much as the Cubans, and, in addition, had been facing ruinous price cutting on the part of the "refining trust" in the Missouri River territory.
9. That the sugar producers of the world were passing through a temporary crisis, relief from which should be left to the operation of economic laws and not be attempted by upsetting the established economic policy of the United States.
10. That the low world price of sugar was due largely to overproduction resulting from the application of the direct and indirect bounty systems of Europe, and that as long as these bounties continued no reduction in duty would be able to establish a legitimate price for raw sugar.
11. That it would not be possible to make a reduction in duty on Cuban sugar that would benefit the Cuban people and still not injure United States producers of beet and cane sugar.
12. That any reduction in the duty on Cuban sugar would be an interference with the existing protection of the sugar industry of the United States; would deprive investors of the incentive for its further development, driving capital to the Cuban industry. This undue favor would artificially stimulate the production of sugar in Cuba to the point of supplying what the United States would use, bring down costs of production to where beet sugar could not compete.
13. That this undue stimulus to its sugar industry would hinder Cuba from seeking new fields of enterprise and development.
14. That the public sentiment in the United States had been distorted by the "trust" propaganda of misrepresenting conditions in Cuba; that the reports of distress in Cuba had been grossly exaggerated and were in many respects actually fraudulent, the demand for labor at good wages exceeding the supply.
15. That the distress in Cuba was at most "theoretical," based upon the fear of marketing the current crop at a loss or without profit, which would discourage capital for the next crop and make it difficult for labor to find employment.
16. That the United States was the principal market for Cuba's sugar, but under no moral obligations to guarantee her planters remunerative prices not warranted by world price conditions and at the expense of the home industry.
17. That the Platt amendment instead of imposing an obligation upon the United States placed Cuba under additional obligations to the United States, which had already done enough for the island.

18. That Cuba could produce all the sugar the United States required and more cheaply than any other part of the world.

19. That the Cuban sugar industry had recuperated remarkably from the ravages of war and was already more profitable than the domestic industry, the production costs for Cuban sugar averaging about 2 cents per pound, compared with an average of $3\frac{1}{2}$ or 4 cents per pound for producing beet or cane sugar in the United States.

20. That Congress should thoroughly investigate conditions in Cuba and, if found necessary, grant relief out of the National Treasury (in the form of rebates to be distributed by the Government of Cuba) instead of saddling the sacrifice on the domestic producers of sugar and tobacco.

21. That if any industries were to be taxed to give aid to Cuba it should be those which were expected to benefit under reciprocity, the producers of goods exported to Cuba and the speculators and capitalists with investments in Cuba.

22. That, in any event, the benefit of a reduction in duty on Cuban sugar would accrue to the "refining trust," the large buyer practically in control of the raw-sugar market, with power to depress prices and refuse the product of Cuban producers, or play one against another, until its demands would be acceded to.

23. That, similarly, the "trust" had secured a benefit from the operation of the countervailing duties (imposed by the United States on imports of beet sugar to offset European export bounties) which should have enabled the Cuban producers to obtain a higher price for their cane sugar.

24. That the "trust" by importing Cuban raw sugar with duty reduction would secure greater profits on its refined product and thus be enabled to extend its price cuttings against beet-sugar factories, ultimately "wiping out" every factory in the United States. Any losses incurred by the "trust" would be recouped when its competitors were killed off.

25. That the price of refined sugar to the consumer of the United States would not be lowered by the admission of Cuban sugar free or by a reduction in duty but would be maintained by the "trust" at the Hamburg level plus the full duty, except when and where it would suit the refiners to put down the price in order to inflict losses on the beet-sugar producers.

26. That under the proposed reciprocity Cuba would be placed in the same relative position to the markets of the United States as Hawaii without restrictions as to immigrant labor.

27. That importation of Cuban sugar free of duty would be in violation of the tariff act of 1897, and that the reciprocity provision of that act has already expired. (Sec. 4 limited the negotiation of reciprocity treaties under it to a period of two years, and their operation to not exceeding five years, after the passage of the act and, by excluding "natural products of the United States," eliminated sugar as a reciprocity commodity.)

28. That the removal of the differential duty on all imports of refined sugar would help Cuba more than any moderate reduction in duty on Cuban raw sugar. ("Such a measure," it was stated but not explained, "would be of no benefit, though of no injury, to the Sugar Trust and be of the least possible harm to the producers of American sugar." It was emphasized, however, that the differential duty, "designed as much to aid the beet-sugar producers as the refiners of imported raw sugar," had enabled the "trust" to sell refined sugar at cut prices in beet-sugar markets. The contest in the House of Representatives over the differential, which culminated in the Morris amendment, is discussed on p. 409 and following.)

29. That Hawaii was paying more for the things it consumed by buying in the protected market of the mainland and therefore expected full protection on its sugar crop.

30. That Porto Rico, because its tobacco and coffee were practically shut out from Cuba, would have to develop its sugar industry, which, however, would be greatly injured by a duty reduction on Cuban sugar imported into the United States.

31. That any change in the existing tariff rates on Cuban tobacco and cigars would disorganize the tobacco industry of the United States, prove very injurious to the growers of domestic cigar-leaf tobacco and to the cigar manufacturers.

32. That any horizontal percentage reduction in the rates of the tobacco schedule would be a discrimination against and practically wipe out the cigar industry of the United States, because it would effect a twelve times greater reduction on cigars as against leaf tobacco from Cuba.

33. That it would be inequitable and against real reciprocity to grant Cuban tobacco a duty reduction in the United States, the largest tobacco-growing country in the world, unless the rates of Cuban import duties on tobacco from the United States were precisely the same as the rates of United States duties on tobacco from Cuba.

34. That the tobacco industry of Cuba was not in a state of depression and was capable of expansion at great profit without concessions from the United States.

35. That the reduction in duty on Cuban cigars would benefit chiefly the Tobacco Trust, which practically dominated Cuban production and which would control the American market.

The report of the Tariff Commission on the effects of the Cuban reciprocity treaty of 1902 shows that the treaty has been a great benefit to the Cuban sugar industry but of no benefit to the United States. The 20 per cent tariff preferential granted Cuban sugar imports should therefore be abolished by the United States. The report of the commission gives a thorough analysis of the effects of the treaty.

The principal effects of the reciprocity treaty are the effects on the Cuban and domestic sugar and tobacco interests and the effects on the exports from the United States to Cuba.

Cuban exports to the United States receiving the preferential rates under the reciprocity treaty are approximately twice as great as the American exports to Cuba receiving preferential rates under the treaty.

Measured in terms of ad valorem percentages, the United States straight concession of 20 per cent has been nearly twice as great as the Cuban concessions, which averaged 24 per cent of Cuba's tariff rates. The final test is not, however, the concessions measured in terms of percentages ad valorem but must be based on an examination of the trade and competitive conditions item by item.

The only revenue sacrificed by either Government during the life of the Cuban reciprocity treaty, 1904 to date, 1929, was that sacrificed by the United States during the period when the Cuban sugar producers or the American sugar refiners obtained price premiums resulting from the reciprocity treaty, such as during the six years 1904 to 1909, when the United States Government sacrificed approximately \$48,000,000, and again in 1920, when a further considerable sum was sacrificed by the United States, and at other periods when full-duty sugar in appreciable quantities entered the United States.

Before the Cuban reciprocity treaty became effective practically all of Cuban exports came to the United States. This condition was not changed by the reciprocity treaty until the Cuban sugar production was so great that it could not all be marketed in this country. Cuba was greatly benefited by the reciprocity treaty, however, because the treaty greatly stimulated the production of sugar and tobacco in Cuba and the exports of those products to the United States. The treaty also gave Cuba special advantage over all other sugar-producing countries in the sugar markets of the United States. This advantage increased the profits of the Cuban sugar producers, stimulated Cuban production, and eventually forced from the markets of the United States all other foreign sugar, leaving Cuba in the commanding position of sole exporter of sugar to the United States, and thus dominating the sugar markets of this country. This commanding position of Cuban sugar in American markets was certainly hastened by the reciprocity treaty, if the treaty was not the sole cause for that development.

Though the tobacco industry of Cuba may not have benefited to the same extent as the Cuban sugar industry by the reciprocity treaty, the United States imports from Cuba of unmanufactured tobacco have increased under the treaty.

The United States exports to Cuba have not shown the increase that was expected to result from the reciprocity treaty. Although exports from the United States to Cuba actually increased, they did not increase more rapidly than did the exports from the United States to neighboring countries other than Cuba. The increase in exports to Cuba, therefore, can not be attributed to the reciprocity treaty. The treaty has been disappointing in this as in other respects.

The manufacturers of the United States exporting to Cuba, being in a different position than the Cuban sugar producers, were not enabled by the reciprocity concessions of Cuba to obtain price premiums on the goods thus exported to Cuba. Under the treaty concessions the Cuban sugar exporters obtained price premiums in the United States markets, but the American exporters to Cuba were not able to obtain such price premiums in the Cuban markets.

Because of the particular liking of Cubans for certain styles and types of goods manufactured in Europe it seems likely that Cuba will continue to make purchases of these commodities in Europe irrespective of any concessions that might be given to such articles imported from the United States. Greater concessions on the part of Cuba would not increase the share of the Cuban trade held by the United States.

The increase in the exports from the United States to Cuba after the reciprocity treaty became effective bears no direct relationship to the tariff concessions granted by Cuba on the individual products. The progress made by American exporters in capturing the Cuban market has been more successful in the nonpreferential group than in any preferential group, and the trade in articles on which there was a 40 per cent preferential has showed least expansion. The tariff has not been the dominant factor in the competition to supply the Cuban market for a large number of different commodities ranging from raw materials to finished goods. The analysis fails to show any direct

or positive advantage to the United States in exporting to Cuba resulting from the reciprocity treaty.

The reciprocity treaty was not the major cause of the rapid increase of that fraction of the total American export trade to Cuba which did in fact expand rapidly after the reciprocity became effective. The major cause of the increased exports to Cuba was the increased efficiency of American business and its competitive power in foreign markets. The evidence indicates that had there been no reciprocity the United States exports to Cuba would now have approximately the same range and value that they actually exhibit.

After the reciprocity treaty became effective the prospect of increased profits in the Cuban sugar and tobacco industries stimulated investments by Americans in those industries, resulting in rapid expanding of production and exportation, especially of sugar, from Cuba to the United States. This stimulus to investments in Cuba was one of the great benefits to Cuba resulting from the reciprocity treaty. This advantage to Cuba has been carried so far that in the future American capital probably will continue to be invested in Cuba even if the reciprocity treaty is discontinued.

On the whole, Cuba has been greatly benefited by the reciprocity treaty, especially the Cuban sugar industry, while the United States has received little, if any, benefit from it. The logical thing to do under the circumstances is to abolish the treaty. Such action at this time would be further protection to the 118,000,000 American sugar consumers and would stand to the credit and everlasting benefit of the Government of the United States.

UNITED STATES TARIFF ON SUGAR IS LOW COMPARED WITH OTHER COUNTRIES

The following table shows the tariff rates on raw and refined sugar in effect in 46 countries. It shows that the United States tariff on sugar is relatively low compared with the tariffs on sugar in effect in other countries that have a domestic sugar industry and import large quantities of sugar. In addition to the duties shown in the table some countries, like the United Kingdom, pay bounties and subsidies directly to the producers of sugar.

Import duties on raw and refined sugar, excluding excise, consumption, sales, and other internal taxes which are also applied to domestic sugar

[Cents per pound at exchange rates on September 1, 1928]

Num- ber	Country	Duty on 96° raw sugar or equiva- lent	Country	Duty on 100° refined sugar or equiva- lent
1	Brazil	17.610	Brazil	17.610
2	Salvador	15.876	Salvador	15.876
3	Peru	9.428	Guatemala	9.803
4	Greece	5.723	Peru	9.428
5	Belgium	5.047	Turkey	7.562
6	Guatemala	4.902	Costa Rica	7.074
7	Spain	4.822	Venezuela	6.566
8	Poland	4.572	Greece	5.723
9	Czechoslovakia	4.538	Poland	5.080
10	Turkey	4.478	Belgium	5.047
11	Costa Rica	3.773	Spain	4.822
12	Norway	3.703	Czechoslovakia	4.538
13	Honduras	3.587	Newfoundland	4.500
14	Rumania	2.914	Rumania	4.432
15	Finland	2.892	Russia	4.194
16	Uruguay	2.722	Norway	3.703
17	Paraguay	2.608	Honduras	3.587
18	Argentina	2.462	Argentina	3.427
19	Russia	2.330	Paraguay	3.260
20	Irish Free State	2.270	Dominica	3.219
21	Venezuela	2.189	Finland	3.204
22	Australia	2.022	Australia	3.016
23	Newfoundland	2.000	Uruguay	2.786
24	Bulgaria	1.962	Germany	2.700
25	Hungary	1.816	Yugoslavia	2.633
26	United Kingdom	1.811	Colombia	2.592
27	Canada	1.770	Irish Free State	2.535
28	United States (from Cuba)	1.7648	United Kingdom	2.527
29	Yugoslavia	1.756	Bulgaria	2.403
30	France	1.727	Italy	2.167
31	Dominica	1.609	Austria	2.002
32	Colombia	1.556	United States (from Cuba)	1.912
33	Austria	1.520	Canada	1.890
34	British Honduras	1.500	Japan	1.829
35	Italy	1.444	Dutch Guiana	1.818
36	Germany	1.405	Hungary	1.816
37	British India	1.296	France	1.771
38	Nicaragua	1.134	British India	1.555
39	British Guiana	1.040	British Honduras	1.500
40	Dutch Guiana	.909	Chile	1.482
41	Dominican Republic	.907	Dominican Republic	1.247
42	Japan	.863	Sweden	1.214
43	Sweden	.850	Denmark	1.211
44	Denmark	.787	British Guiana	1.170
45	Chile	.607	Nicaragua	1.134
46	Cuba	.373	Cuba	.350

* 1.287 if imported for refining.

* Full rate 2.206.

* Full rate 2.39.

Referring to the above table of countries which carry an import duty upon sugars, the rates given cover the import rate of duty and such other taxes as apply to the imported sugars as distinguished from the sugar of domestic production. The countries which provide for a bounty upon the domestic production of sugar are as follows:

ENGLAND

The bounty law now in force in England became effective October 1, 1924. During the first four years, which expired October 1, 1928, the bounty on sugars testing above 98° was approximately 4 cents per pound. These rates scale down with the degree of sugar as shown by the polariscope, but most of the beet sugar made in England is of the refined grade and therefore calls for the highest bounty. During the second period of three years this bounty on sugar testing above 98° is reduced to approximately 2.8 cents, and for the third period, from October 1, 1931, to October 1, 1934, the bounty will be approximately 1.33 cents. At the end of that period the bounty law in England automatically expires.

IRISH FREE STATE

This bounty law was enacted two years later than the English law, but is somewhat similar. The first period extends from October 1, 1926, to October 1, 1929, during which time a bounty of approximately 5 cents per pound is paid upon sugars testing above 98°. This bounty is reduced with the lower grades of sugar as in the case of the English law. During the second period of the Irish Free State law the rate of duty on sugars testing above 98° will be about 4.8 cents per pound and during the last period of two years, from October 1, 1934, to October 1, 1936, the bounty will be 4.7 cents. The bounties, therefore, are considerably higher in the Irish Free State than in England.

FINLAND

The bounty paid to the beet-sugar producers in Finland varies from approximately 1 cent per pound to 1.8 cents per pound, based on the exchange rate of September 1, 1926.

CHILE

Chile passed a bounty on domestic sugar testing more than 96°. The bounty is at the exchange rate of September 1, 1926, which was 1.64 cents per pound.

Netherlands pays a bounty, but I was unable to locate the rate.

IMPORTS OF SUGAR FROM THE PHILIPPINES SHOULD BE LIMITED TO 500,000 TONS A YEAR

The Secretary of State, Mr. Stimson, recently appeared before the Ways and Means Committee and urged the continuance of free-trade relations between the United States and the Philippine Islands. Having recently served as Governor General of the Philippines, Mr. Stimson naturally has the point of view of the Filipinos and, quite naturally, he desires to avoid provocation in the Philippine Islands of opposition to the United States administration.

The Filipinos want two things: (1) Independence; (2) free trade with the United States. These objects are not compatible, and never will be. If the Philippines are to be denied their independence and are to become a part of the United States, free trade between the Philippines and the United States is logical and consistent. On the other hand, if the Philippine Islands are to be given their freedom, they will then become like other independent countries, paying tariff duties on sugar and other Philippine imports into the United States.

The United States is pledged to grant independence to the Philippine Islands when the people there are capable of maintaining a stable government. The Filipinos evidently are looking forward to that day with great anticipation. Independence seems to be the real objective of the Filipinos. Therefore they should take advantage of every opportunity to prepare for it, both economically and politically.

When the Filipinos are granted their independence by this Government they will naturally be required to find new markets for a part of their sugar and other products which have come into the United States free of duty. They should consequently be preparing themselves for such a day and develop a diversity of products and industries, not dependent upon duty-free importation into the United States. They should cease to expand their sugar industry, now growing under conditions of free trade with the United States. Expansion of their sugar trade with this country under present conditions is binding the Filipinos closer every year to the United States. If such a policy is continued independence of the Philippine Islands will become more and more impracticable, if not impossible. The way for the Filipinos to gain their independence from the United States is to prepare for that independence from an economic standpoint. They can not aid their cause by making themselves increasingly dependent upon the United States.

The relationship between the Philippine Islands and the United States and between Hawaii and Porto Rico and the United States is quite different. The argument that the Filipinos should be placed on the same trade basis as Hawaii and Porto Rico is ridiculous. Hawaii is an integral part of the United States through annexation, and Porto Rico is a possession which must always remain under the control of this country; while the Philippine Islands want their independence and the United States is pledged to grant them complete independence. It is quite unsound, unreasonable, and decidedly misleading to state that the Philippine Islands should be treated the same as Hawaii and Porto Rico.

If, in the present tariff bill now before us, we would limit the importation of sugar from the Philippine Islands to 500,000 tons a year, it would be fair. Philippine sugar would still be permitted to enter the markets of the United States. This would be a starting point for the Filipinos' independence as it would further their economic independence. It would give them an opportunity to start building the necessary more or less complete economic independence.

Such limitation of sugar imports from the Philippines is not new. Under the Payne-Aldrich law sugar imports from the Philippine Islands were limited to 300,000 tons a year. The present proposal recognizes the great growth of the sugar industry in the Philippine Islands and grants a 67 per cent increase in the amount of sugar admitted into the United States. The proposal to limit the imports of sugar to 500,000 tons a year is just and fair to the Filipinos.

On the other hand, to permit foreign interests to develop the sugar industry in the Philippine Islands on the basis of free trade with the United States is absolutely unfair to and is damaging the domestic beet-sugar industry. If continued it will also completely destroy for the Philippine Islands every possibility of economic independence, and will therefore make it impossible for them to exist as an independent country, and will postpone forever the day when the United States will attempt to grant them political independence.

What I have said is not theoretical, but is a statement of plain, common, self-evident truths, which defy contradiction. It is quite time that the Filipinos and the people of the United States recognize the facts with respect to this great Philippine question and begin now by limiting the free importation of Philippine sugar into the United States, and thus begin at least the necessary economic preparation for the consummation of their independence. The United States by such a stand at this time would show its good faith in its pledge, already made, to grant independence to the Philippine Islands as soon as the people are capable of maintaining a stable government.

The United States has been extremely generous and considerate of the Philippines ever since the treaty with Spain was signed, April 11, 1899. We have in fact gone quite beyond reason in our encouragement of the sugar industry there compared with our encouragement of the domestic sugar industry.

When the United States took possession of the Philippines the sugar production of the islands was 94,608 tons; in 1928 the production was 667,657 tons, or seven times as great as when the treaty was signed. The sugar production in continental United States in 1899 was 243,003 tons, and in 1928 it was 1,151,862 tons, or less than five times as great as when the treaty was signed.

In 1922, when the last tariff act was passed, the Philippines produced 378,739 tons of sugar and almost doubled that production under the free-trade arrangement with the United States that was continued by that act, while during the same six years just passed the United States beet-sugar production was forced to remain at a standstill, and the United States cane-sugar production decreased from 324,429 tons to 70,792 tons.

These facts show that the policy of this country has been unreasonably favorable to the Philippines and that it has failed to give to the domestic sugar industry a reasonable quota of the domestic sugar market when compared with that quota given to the Philippines. It is high time that such unfair discrimination by this Government against the domestic sugar industry were remedied. The most practical method of helping to overcome this handicap, placed by the Government on the domestic sugar industry, is to limit the importation of Philippine sugar to 500,000 tons a year, as it is now proposed to do in this tariff act.

In conclusion, friends, and I must not trespass upon your time longer, let me say that if America is to continue the great principle of the protective tariff, the principle that has made America great; if we are to continue that principle, measured by every standard that justifies a tariff, these rates on sugar may be and are justified.

Mr. Chairman and members of the committee, I have pointed out that it has always been the policy of the United States to protect its industries. Our mode of and high standard of living

have been made possible through the protective tariff policy. Sugar is a basic and necessary article of food, and it would be nothing short of a crime to permit this industry to be destroyed in this country. No rate of duty less than those proposed in this bill will protect it. It is an agricultural crop, and no farm relief will be adequate which does not insure the prosperity of the sugar industry.

Therefore, because it is necessary and because it will not survive unless protected, we earnestly solicit your support in the sugar schedules.

In the name of the homes, the childhood, the welfare, and happiness of America, particularly the farming element, I plead for the retention of the rates proposed by the committee. Let us save this great industry. [Applause.]

Under permission to extend my remarks, I submit the following:

MISCELLANEOUS INFORMATION ON PHILIPPINE ISLANDS WHICH GIVE BACKGROUND AND SETTING FOR MORE DETAILED DISCUSSION

Prior to 1902 full rate of duty was assessed against all imports of Philippine sugar into the United States.

March 8, 1902, by act of Congress rate of duty on Philippine sugar reduced to 75 per cent of full duty.

August 5, 1909, tariff act provided for admission duty free of not to exceed 300,000 gross tons of Philippine sugar in any one fiscal year.

October 3, 1913, tariff act repealed limitation of shipment of Philippine sugar to the United States. Since that date all shipments of sugar actually produced in the Philippine Islands and billed for direct shipment to the United States have been admitted free of duty.

First 10-year period after Spanish-American War—1899–1909—the total trade of the Philippine Islands, covering all commodities, amounted to about \$53,000,000 to \$54,000,000 annually.

From 1909 to 1913—period of partial free trade—the average annual trade value of the Philippine Islands increased to \$100,000,000, but the trade balance was against the islands.

From 1914 to 1921 the annual average foreign trade of the Philippine Islands rose to \$180,000,000.

During the seven years (1921–1927, inclusive) the annual overseas trade of the Philippine Islands averaged \$235,400,000.

During the year 1927 the Philippine imports and exports of all commodities amounted to \$271,400,000.

During the preceding year (1926) domestic business in the Philippines was estimated at \$600,000,000. A considerable part of the Philippine business, both domestic and foreign, is said to be in the hands of the foreign population.

The total net tonnage entering the Philippine ports increased from 1,677,280 in 1903 to 4,097,550 in 1926, an increase of about 150 per cent. The tonnage carried under the American flag during that time increased from 6.4 per cent of the total in 1903 to 32 per cent of the total in 1926.

The land area of the Philippine Islands comprises about 73,215,000 acres, which, according to the Department of Commerce, are classified as follows: Nine million one hundred and seventy thousand, or 12 per cent, under cultivation; 54 per cent of the total area in commercial and 10 per cent noncommercial forests; 19 per cent open grassland; 1 per cent mangrove swamp; and 4 per cent still unexplored.

It is estimated that the area capable of cultivation is about 36,600,000 acres, which is about one-half of the total area of the islands, or four times the present tilled area.

In 1903 there were 1,254,000 agricultural laborers in the Philippines and the total population was 7,635,000, according to the Philippine census.

In 1918, according to the Philippine census, 2,601,000 persons were engaged in agricultural labor out of a total population of 10,314,000 persons, of whom 6,200,000 were over 15 years of age. In 1927 the agricultural laborers numbered 2,736,000 and the total population, according to the Philippine census, was 12,354,000.

In 1926 there were imported into the Philippine Islands over \$25,000,000 worth of foodstuffs, of which over \$15,000,000 worth directly or indirectly represented agricultural products.

The principal crops produced in the Philippine Islands are palay (rough rice), sugar cane, coconuts, abaca (manila hemp), corn, tobacco, maguey (Agave), cocoa, and coffee.

In 1927 these crops were valued at \$254,439,000, or 90 per cent of the value of all agricultural crops produced in that year. Only five of these crops entered into export trade in 1927, namely, sugar, coconut products, abaca, tobacco, and maguey. The export value of these articles in 1927 was \$135,000,000, which was 90 per cent of the value of all Philippine exports in that year.

The following additional crops seem to be capable of profitable production in the Philippine Islands, namely, rubber, tea,

pineapples, citrus fruits, quinine, camphor, and many less important crops.

In 1903 there were no large sugar mills, known as centrals, making centrifugal sugar; all of the sugar (396,000,000 pounds) was made in small mills operated by animal and steam power.

In 1918 there were 17 centrals, which, together with smaller mills, turned out about 950,000,000 pounds of sugar.

In 1927 there were 37 large sugar mills making centrifugal sugar, 6 oil mills making coconut oil, 7 large drying plants making copra (dried coconut), and 3 tobacco factories making cigars and cigarettes, besides numerous small plants for which data are not available.

In 1927 the export trade of the Philippines amounted to \$155,575,000, while the import trade for that year amounted to \$115,850,000, showing a trade balance of nearly \$40,000,000 in favor of the Philippines.

Exports from the Philippines to the United States in 1899 amounted to about \$3,500,000 and in 1927 to about \$116,000,000.

Imports to the Philippines from the United States totaled \$1,150,000 in 1899 and \$71,000,000 in 1927.

Mr. GARNER. Mr. Chairman, the gentleman from New York [Mr. MEAD] has just advised me he has to leave at 1 o'clock this afternoon, and I am going to yield him three minutes out of order to make a statement.

Mr. MEAD. Mr. Chairman, it is my desire in the brief time allotted to me to call the attention of the committee to what is either an oversight or an unjust discrimination directed against the gypsum industry.

Gypsum is mined in western New York as well as in other sections of the United States.

The case of the gypsum people has been presented to the Ways and Means Committee very carefully and completely, but so far, as I have said, they have either been neglected or ignored.

This is a matter that affects the entire country and in my judgment merits consideration. From 1897 until 1922 this industry was considered and received protection. Even in the tariff bill of 1913 gypsum was considered.

With a large part of this industry located in New York State, I wonder if the Republican leaders of the House expect the large delegation of the Republican Party that comes from our State to support this so-called readjustment of our tariff system. If so, they must appreciate the fact that it will be difficult if they are considerate of industries located in other sections of the country and discriminate against an industry located within the State of New York.

The committee report on tariff readjustment, accompanying the bill, cites changed conditions in industry as a prime reason for readjustments of the tariff duties and states that "the duties provided in the bill are intended to adjust the differences in competitive conditions at home and abroad, based upon our experience under the present law"; but no such purpose or intent has been followed with reference to the gypsum schedule. This industry seems to be forgotten.

From 1897 to 1922 there was a duty on crude gypsum and during that time there occurred some growth in the domestic industry. While there were importations of crude gypsum during that period it all came in just as it came from the mines or quarry and was handled at that time extensively by hand. Crude gypsum was put on the free list in 1922, at a time when Congress adopted the Fordney-McCumber tariff bill.

I am informed that some of the former advocates of protection for gypsum went into the importing business and reversed their position, becoming advocates of free entry of gypsum, and this reversal of position received the approval of the committee, and I merely desire to call the attention of the committee to this reversal of position in favor of the importer who, when a domestic producer, received protection. Either we were wrong in granting protection to the industry from 1897 to 1922 or we are wrong now in placing gypsum on the free list. The fact that a few former producers have recently become importers does not justify the change.

The committee report on tariff readjustment, accompanying H. R. 2667, cites changed conditions in industry as a prime reason for readjustment of tariff duties and says that—

The duties provided in the bill are intended to adjust the differences in competitive conditions at home and abroad, based upon our experience under the present law.

No such purpose of intent has been followed with reference to the gypsum schedule.

When gypsum comes from the mine or quarry it is in large chunks. The process of manufacture of the powdered material, having many uses before calcination, is one of reduction of these large chunks in three operations by crushing or grinding machines. Until 1922 crude was understood to mean run-

of-mine before any crushing or grinding took place. Since then it has come to mean raw gypsum, however finely crushed, on the theory that crushing aids transportation.

The committee report says:

Foreign competitors have an uncanny aptitude for discovering what foods, wares, and commodities are insufficiently protected, and attacking there.

This statement is especially apt as to gypsum. After crude gypsum was placed on the free list in 1922 the importers—

First. Installed power shovels and mechanical loading devices in Canada and Mexico, thus decreasing the expense of handling by over 50 per cent.

Second. Installed in Canada and Mexico, modern crushing machinery to perform at cheap foreign labor cost a part of the manufacturing operations.

Third. Procured a ruling by the customs collectors that the partly manufactured material was crude within the meaning of paragraph 1643, and thus admissible free.

With the following results:

First. The importers were enabled to deliver to the Atlantic and Pacific seaboard cities (which are the principal American markets for gypsum products) partly manufactured material at a maximum cost of \$1.36 per short ton, as against a cost to the domestic producers to deliver a short ton of similar material to the same markets of \$6.33, thus giving the importers a cost advantage of \$4.97 per short ton on the so-called crude material. This cost advantage runs through all the gypsum manufactures.

Second. With this cost advantage of \$4.97 per short ton, the importers, as the committee expresses it, sell the improved material and manufactures of it "at whatever prices may be obtained, irrespective of the cost of producing such products abroad." They have been and are being (as the committee says is possible) "offered at prices a little below those of competing American products in order to obtain control of the market," and still "they are sold at prices greatly in excess of the foreign cost." The importers have established mills on the seaboard for manufacturing gypsum products. The following table of average costs and selling prices in 1928 at points from Portsmouth, N. H., to Norfolk, Va., and from Seattle to Los Angeles illustrates the truth of the committee statement:

	Calcined gypsum		Wall plaster	
	Cost at seaboard	Selling price	Cost at seaboard	Selling price
Domestic.....	10.60	9.75	11.85	11.27
Foreign.....	5.36	9.75	6.85	11.27

Third. The chief importer has 24 domestic plants and has sold below cost of production in the interior, as it can well do by using the great profits from the imported material to offset its losses in the interior.

Fourth. The domestic industry is nearly bankrupt. Two plants in New York State have ceased operations, the output of all others decreased 50 per cent in 1928, employment decreased 50 per cent, and the wages of those remaining in the industry have decreased 28 per cent; one mill has closed down in Wyoming, and other western mills are operating only part time; the Universal Gypsum & Mine Co., with plants at Fort Dodge, Iowa, Oakfield, N. Y., and elsewhere, has recently passed into the hands of receivers, and others are closing.

Fifth. From 1918 to 1927, inclusive, imports of crude gypsum increased 13.7 times, while domestic production increased only 2.6 times.

In 1923 imports from Canada equaled 33 per cent of the New York State production; in 1927 these imports had reached 51 per cent of New York State production and in 1928 about 125 per cent of New York State production. From January 1, 1925, to December 31, 1928, New York State production had decreased nearly 50 per cent, while imports from Canada had more than doubled.

The percentage of importations of crude gypsum to domestic production throughout the United States increased from 9.43 per cent in 1923 to 21.23 per cent in 1928.

Under existing conditions and admitted plans of the importers it is certain that importations will exceed domestic production in 1929.

With crude gypsum remaining on the free list no relief can be procured:

First. Application can not be made to the President under section 336.

Second. On February 4, 1929, the Treasury Department ruled that crushed gypsum, partly manufactured, comes in free as crude.

The committee says:

It is fundamental to the policy of protection that a duty on a raw material requires a compensatory duty on articles manufactured from it.

As the cost advantage runs through all the manufactures of gypsum, duties on wall plaster, gypsum blocks, plaster boards, and so forth, are essential.

Cement and gypsum are similarly situated.

As one who favors fair treatment for both industry and agriculture, it seems to me the gypsum industry has been forgotten. If a tariff is to be levied, it must not discriminate against any industry, class, or section. Therefore let us have a fair and equitable revision of the tariff or no tariff legislation at all.

Mr. GARNER. Mr. Chairman, I yield 30 minutes to the gentleman from Arkansas [Mr. RAGON].

Mr. RAGON. Mr. Chairman, I perhaps would have been satisfied to have waited until the discussion under the 5-minute rule to submit whatever I have to say upon the question of the tariff but for the fact that upon yesterday there occurred a colloquy here in the House between two of the Members, with perhaps a third one entering into the colloquy to some extent, to the effect that the promises of both political parties had practically been carried out at this session of Congress when we pass the present tariff bill.

What I shall say this morning shall be for the purpose of calling attention to that high degree of political morality that once was attached to the political platforms, both the Democratic and the Republican.

There was a time, in the history of your fathers and mine, when a political platform was looked upon as something more than a mere "scrap of paper." To-day a platform is looked upon as an instrument for somebody to ride himself into office; and when he once gets in, he hitches his horse on the outside and he never sees him again.

So this morning I want to call your attention, with the platforms of the Republican Party and the platforms of the Democratic Party as a background, to the sole reason that brings us together here in Washington at this particular time in this extraordinary session. In order to do this I ask you to bear with me while I give you some quotations from the platforms of both parties; and since the administration has been continued, which has been in power for the last eight years, let us look at its promises which they gave in a solemn covenant that came out of the Kansas City convention last summer.

The Republican Party in that convention declared that—

a protective tariff is as vital to American agriculture as it is to American manufacture. The Republican Party believes that the home market, built up under the protective policy, belongs to the American farmer, and it pledges its support of legislation which will give this market to him to the full extent of his ability to supply it.

Upon that platform the present incumbent of the White House was elected. Following a custom of years, he delivered a speech of acceptance, and in the course of that address—I shall not quote all of it—he said: "An adequate tariff is the foundation for farm relief."

Who is that speaking? Is it some one speaking for the lost cause of the Democratic Party? No, gentlemen; it is the man who accepted the Republican nomination and said they would give us such a fair readjustment of the rates as would put agriculture on a parity with manufacturing industry. Not only does Mr. Hoover say that, but he says, "I will use my office and influence to give the farmer the full benefit of the tariff policy."

The most urgent economic problem in our Nation to-day, says Mr. Hoover, is not industry, is not the increase of tariff rates, or any general revision, but he says that the great economic disturbance in this country to-day is found in agriculture.

There, gentlemen, is your solemn covenant and your solemn acceptance on the part of the man who received the favor of the American people when they cast their votes last November.

Let us get a little more interesting data here. My friend, the gentleman from Alabama [Mr. HUDDLESTON], who made the free-trade speech on the floor the other day, said that he was the last of his race—the remnant of a fast-fading few. His speech was interesting because he said the leaders of the Democratic Party had abandoned him. Let us stop and take an inventory as to what the Democrats said they would do to give the farmer a tariff.

The Democratic platform at Houston carried this tariff declaration on agriculture:

It is a fundamental principle of the party—

That is, the Democratic Party—

that such tariffs as are levied must not discriminate against any industry, class, or section. Therefore, we pledge that in its tariff policy

the Democratic Party will insist upon equality of treatment between agriculture and other industries.

In addition to this it made various other tariff declarations that might be well for us to have in mind.

(a) The maintenance of legitimate business and a high standard of wages for American labor.

(b) Increasing the purchasing power of wages and income by the reduction of those monopolistic and extortionate tariff rates bestowed in payment of political debts.

(c) Abolition of logrolling and restoration of the Wilson conception of a fact-finding tariff commission quasi-judicial and free from the Executive domination which has destroyed the usefulness of the present commission.

(d) Duties that will permit effective competition, insure against monopoly, and at the same time produce a fair revenue for the support of Government. Actual difference between the cost of production at home and abroad, with adequate safeguards for the wage of the American laborer, must be the extreme measure of every tariff rate.

(e) Safeguarding the public against monopoly created by special tariff favors.

(f) Equitable distribution of the benefits and burdens of the tariff among all.

Governor Smith in his acceptance speech said:

Acting upon the principles of equality to all and special privilege to none, I shall ask Congress to carry out the declarations of our party platform.

The Democratic nominee in an address at Louisville, Ky., speaking on the tariff, said this:

I say to the American workingman that the Democratic Party will do nothing that will take from his pay envelope one 5-cent piece. To the farmer I say that the Democratic Party will do everything it can to put back into his pocket all that belongs there.

Who is that speaking, my friends? That is the man who carried the banner of the Democratic Party in the last campaign. Some one has undertaken to get humorous, as we very often do with the discussion of the tariff, and has spoken with considerable mirth about a telegram that was sent by Mr. Raskob, and if you had listened to the gentleman from New York [Mr. CROWTHER] the other day, you would have thought that the Republican Party would have paid \$50 a head for the fellows who would admit having signed that telegram. It is not necessary for me to say that I supported the Democratic platform and I support it now. [Applause on Democratic side.] I do not think it is necessary for me to say that I supported the Democratic nominee for President, because I thought honestly his election would best serve the interests of the people of this country. But there was a telegram sent, and I happened to be one of the signers of that telegram, and my attitude toward that telegram is exactly my attitude toward the platform of the Democratic Party at Houston. I am 100 per cent for the expressions in that platform, and 9 out of every 10 men over here are likewise. [Applause on Democratic side.]

But, according to some of my friends who have spoken here, in order to believe in any kind of tariff, you must believe in rates which are horse high, hog tight, and bull strong. They really want an embargo. I say to you frankly that if I had a disposition like that—and I say that disposition is fading as fast as the gentleman's views who spoke here the other day about free trade—if an attitude like that ever permeates me, I will tell you what I will do, I will go get me a mask and some burglar's tools, and I will swing across my hips two 6-shooters, and I will go into the business for myself, and not for the special interests of this country. [Applause.]

Let us read that telegram now, a telegram signed by most of the Democratic Members of the House. Listen to it:

We the undersigned Democratic candidates for the House and Senate affirm the allegiance of our party to a nonpartisan tariff commission as enunciated in the Democratic platform adopted at Houston and declare our approval of the constructive interpretation placed on the tariff plank by our standard bearer, Governor Smith, in his Louisville speech when he said, "I definitely pledge that the only change I will consider in the tariff will be specific revisions in specific schedules each considered on its own merits on the basis of investigations by an impartial tariff commission and a careful hearing before Congress of all concerned. That no revision of any specific schedules will have approval of Democratic Party which in any way interferes with American standard of living and level of wages. In other words, I say to the American workingman that the Democratic Party will not do a single thing that will take from his weekly pay envelope a 5-cent piece. To the American farmer I say that the Democratic Party will do everything in its power to put back into his pocket all that belongs there. And we further say that nothing will be done that will embarrass or interfere in any way with the legitimate progress of business, big or small. With the prescription honestly put forth with a clear cut and

definite promise to make it effective I assert with confidence that neither labor nor industry nor agriculture nor business has anything to fear from Democratic success at the polls in November."

And we hereby pledge our cooperation in carrying out the principles and policies therein set forth.

I believe that would constitute a tariff basis in the thinking of seven out of every nine Members of this House on both sides of the aisle, when you get right down to facts. That is the Democratic attitude. Let us see what the President said when he delivered his special message here. He said:

The general result has been that the agricultural industry has not kept pace in the prosperity and standards of living with other lines of industry. There being no disagreement as to the need for further relief, the plan before us is to determine what is the best means by which this can be brought about.

One of the plans specifically enumerated by the President was that the tariff be so readjusted as to equalize the rates of agriculture with those of industry. We have passed the farm bill. We come now to the consideration of a tariff bill. Under the direction of this background that I have given you, our task constitutes but one thing and one thing alone, and that is to equalize the rates of agriculture with those of the manufacturing industries of the country. Having met here, according to this background of platforms and statements by candidates, and of the message of the President of the United States to this special session, I say to you that anyone who will read that background which I have given you here and will then say that we have met here for the purpose of revising the tariff upward ought to be bored for the simples. You know the purpose was to do something for the agricultural interests of the country. Then let us hurriedly see something of the disparity between the two. Mr. Chairman, I am not an agriculturist. However, the generations of my family before me were, and until I was 16 years of age I did not know that there was any other way of making a living. I might add that agriculture did not lose anything when I got out of it. Let us look at the conditions. It does not take a farmer to diagnose them.

Let us take the Bureau of Agricultural Economics and see what they have to say about it. They use as a base figure 100 and they take the average of the prices of commodities for the years 1910 to 1914, inclusive, a period of five years. They take that as the index number, and then they give us the ratio numbers as to the exchange powers of commodities the farmer sells compared with the commodities which he buys. I call your attention to the disparity. Since 1914 the price paid by the farmer for commodities bought, which he used in his actual living expenses and in the actual production of his crops, have increased 56 per cent. If you want to know what is the matter with agriculture, turn the picture over now and see how much his commodities which he sells have increased. Take the grain grower, and I am giving now figures of January, 1929. In the same period of 14 years the prices of grain products have increased only 15 per cent. It does not take a scholar to see what is wrong there. It does not take an economist, it does not take even a farmer. Anybody with good sense can read it and visualize it. Is that all? Let us take fruits and vegetables and see what their increase has been. In January of this year they showed an increase of only 9 per cent.

Well, the rates on meat animals have been increased considerably. They have an increase of 46 per cent. Then your dairy products have an increase of 45 per cent. Cotton and cottonseed have an increase of 48 per cent, whereas your poultry products have been increased 61 per cent. If you add those things together with the other commodities composing the 30 upon which the economist based his calculation, you will find that the ratio of the price that the farmer receives for his commodities to the price of the commodities he must buy is only 86, the disparity being 14 per cent against the farmer. If you take it on 100 of his products, the disparity is 15 per cent; so the farmer is confronted with two price levels, which operate to his disadvantage to the extent of 15 per cent. The ratio of the general price at which the farmer sells as a grain grower to the price at which he buys is 74 per cent; on vegetable products it is 69; 93 per cent on meat animals; cotton and cottonseed is 90; and 108 is the ratio on poultry products.

Now, there is not a man here who does not know that when failure or distress comes to a business man he sits down and takes an inventory. What does he do? He says, "What is my income? What is my overhead?" And then he tries to adjust his income so as to meet his expenses with a profit left to him. If he finds that his expenditures exceed his income, he immediately commences to reduce those expenditures. So in the business of agriculture you have an overhead that represents 14 per cent in price levels over the agricultural income.

Now what is up to this Congress to do in order to remove that disparity and equalize the rates of agriculture with those of industry? There is nobody, not a high school child in Washington, who will not tell you that the farmer must either reduce his expenditures or increase his income, or combine both by increasing income and decreasing overhead. That is the responsibility which is up to Congress. How will Congress meet that responsibility? That is what the Republican President puts up to you. That is what he said you would do. For weeks and even for months we have been meeting over there and taking testimony on the tariff. The American people thought we were doing it for the purpose of equalizing agriculture with industry. They thought we might reduce the rates on manufactured products in order to readjust the rates on agriculture. But instead of doing that, what do we find? I say this in no quarrelsome spirit or in any attempt to provoke controversy. I believe that two-thirds of the men on that side of the House have the interests of agriculture at heart, but I can not believe that the expression of that two-thirds is going to prevail in the enactment of this tariff legislation. I think the same thing prevails with a bigger majority on this side of the House. What did they do? Let me pause here to say there is not another man in the House who could have conducted those hearings in a more orderly manner and with the dispatch than the gentleman from Oregon [Mr. HAWLEY]. My experience here and in other legislative branches and in the court room compels me to say he is one of the greatest presiding officers who ever sat at the head of that committee. [Applause.] If you were to leave his big golden heart to have full sway in this committee, I believe you would not have such a makeshift agricultural tariff bill as you have here now.

What have your farm leaders asked us to do? They came in and said this: "You promised us an adjustment so as to equalize agriculture with industry." We are going to ask you to bring those rates up even with industry.

I will not take the statement of any Democrat or any Republican, but merely the statements of the farm leaders. They said that the present tariff rates reduced to an ad valorem basis would amount to practically 42 per cent on the manufacturing industries, and that the rates upon agriculture under the same measurement would approximate 22 per cent. One of those agricultural leaders said that the industry figure would be from 40 to 45 per cent and that the agricultural figure would go from 20 to 25 per cent.

Now, what do you do under this bill? Do they undertake to lower the overhead expenses of the farmer? Have they sought to increase his income? The thing the Committee on Ways and Means should have set out to accomplish was an increase in income and a reduction of the overhead expenses. Let one of the agricultural leaders speak on this point. Here is a letter written to me the other day, dated May 14, in reply to a letter which I addressed to him.

He says:

I have your letter of May 14, in which you comment upon the general ad valorem rates which agriculture is expecting in the present tariff adjustment, and ask my opinion of the adjustment which has been given in the bill as reported by the Ways and Means Committee.

It seems to be generally recognized that in the tariff act of 1922 the agricultural rates if averaged on an ad valorem basis would fall somewhere between 20 and 25 per cent. The industrial rates in the same measure are commonly stated to be somewhere between 40 and 45 per cent. This makes the disparity of protection between agriculture and industry almost a two to one ratio, with industry in the ascendancy.

It has been, and is now, the expectation of agriculture that the tariff act of 1922 will be "adjusted" by bringing up the agricultural rates to an equality with the industrial rates. This expectation can not be wholly fulfilled, however, if the rates proposed in the pending tariff bill should be finally enacted into law.

Who is that speaking? That is one of the leaders of one of the greatest farm organizations in this country. That is from the same man who told of the disparity, when he appeared before our committee, as between industry and agriculture. He came in there and in a wonderful address begged us to increase those rates so as to equalize agriculture with industry. So that if there is any man in Washington to-day who knows what he is talking about, this is surely the man, the representative of the American Farm Bureau.

The letter continues:

According to somewhat hurried estimates, which are subject to later revision, it appears that perhaps the agricultural rates are increased about 5 per cent, which would make them vary from 25 to 30 per cent.

What did they ask for, my friends? They asked for an equalization of the rates of industry with those of agriculture; and what did they say it would take to make that equalization?

They said it would take anyway 20 per cent, or the difference between 25 per cent and 45 per cent. That was the appeal the American Farm Bureau's representative and the Grange's representative made to the Ways and Means Committee of the House.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 15 additional minutes.

Mr. RAGON. I will read further from this letter:

It also appears that on account of the industrial rates on many commodities being raised, and some industrial commodities which have heretofore been on the free list having been made dutiable, that there has been an increase in industrial rates of approximately 5 per cent. This will bring the industrial rate structure to a general average of 45 to 50 per cent ad valorem.

It would not appear from the above estimates that there has been any "adjustment" of rates in the bill as reported. The disparity of protection between agriculture and industry is just as noticeable in the bill now pending as in the act now operative. So far as can be seen from first examination of the bill along this line, it appears that the effort to get more protection on the part both of industry and agriculture has met with approximately the same treatment in the bill.

Trusting this information will be that which you have sought, and with highest personal regards, I am,

Very respectfully,

AMERICAN FARM BUREAU FEDERATION,
CHESTER H. GRAY,
Washington Representative.

Mr. BACHARACH. Will the gentleman yield? I know the gentleman wants to be accurate in his statement.

Mr. RAGON. Yes.

Mr. BACHARACH. In the letter which the gentleman has just read it is stated that the rate was 22 per cent on agricultural products, whereas they have 41.72 per cent, and on all industries combined the total is a little over 38 per cent. I want to tell the gentleman where I get that information, because I know he wants to be accurate. That information is taken from statistical tabulations relating to imports into the United States of agricultural and nonagricultural products, on the dutiable and free lists, during the calendar year 1927, these tabulations being found in volume 17 of the hearings. I thought the gentleman would want that information.

Mr. RAGON. Yes; I want to hear that information. What I shall now say about the gentleman from New Jersey is not said with any intent of injuring him, because I believe he is one of the "squarest shooters" on the committee and that among all the fine fellows on that committee there are none above him. If I should ask the gentleman from New Jersey [Mr. BACHARACH], on the question of agriculture, to take my word over the word of the grange and over the word of the American Farm Bureau, what do you suppose he would say? I can not go into all of the little details contained in that statement he springs on the spur of the moment. I do not recall them, but I do recall this, and the gentleman from New Jersey will remember it, that Mr. Taber, president of the grange, and the gentleman from New Jersey had a colloquy in the committee. If you will get the hearings, you will find Mr. Taber said that agriculture received a rate of 22 per cent. The gentleman from New Jersey at that time disagreed with him, but he never was able to dynamite Taber out of that position. I do not know and I am not here to vouch for the accuracy of departmental figures, but I do say this much, if Chester Gray, a man known by practically every man on the floor of this House, a man whose testimony was received by the committee without even a suggestion of impeachment, and whose life job is agriculture, does not know more about those figures than the gentleman from New Jersey [Mr. BACHARACH] knows, then I will have to admit that my witnesses are not as good as his. But for the sake of the great farming classes of this country, most of whom constitute the great majority of the population of the South and practically all of the population of the Western States, I must say, however much I respect Mr. BACHARACH, that I must decline to take his statement over that of the two men who represent the biggest farm organizations in this country.

Mr. BACHARACH. Will the gentleman yield for just one question?

Mr. RAGON. Yes.

Mr. BACHARACH. I want to say that those tabulations were prepared by the statistician of the Department of Agriculture for the benefit of the Ways and Means Committee, and I will ask the gentleman in his remarks to show wherein this is in error.

Mr. RAGON. I will show it from that same department. If that is correct, that they came from that department, I would suggest to the gentleman that he do some explaining. If the agricultural rates are so high, let the gentleman explain why, since 1921, has the percentage increased upon the commodities that the farmer has bought and has not increased on the commodities that he sells in anything like the same proportion. So, my friends, the question answers itself, as you will find by referring to statistics furnished by the same department the gentleman from New Jersey referred to, and those statistics will show that there is a 14 per cent discrimination between the things a farmer sells and those things which he buys. I suggest to those Representatives on the majority side from the great Western States and those who represent the Southern States that you get down and figure out these things. I know that none of you want the farmers of your section to be given an "over-ripe orange" like this bill does. You do not want to be pyramiding his overhead expenses, and I say to you that is exactly what you do under the terms of the present tariff bill. I not only give you that as my statement but I back it up with the statement of Mr. Gray and the statement of Mr. Taber.

O my friends, listen to me. I have been here for just six short years, but in that time I have seen more "crocodile" tears shed in this well on behalf of the American farmer than for everyone else combined. You western Republicans always follow him up to the firing line but, by the eternals, you never pull the trigger and no one ever hears you shoot. What the farmer of this country wants—and he does not care from what source he gets it—is legislation which will equalize him with the other industries of this country.

Now, let us look at the overhead. But first let us look at the increases in the rates. I will not go into the increases extensively, because this letter explains that there has been an increase in agricultural rates of practically 5 per cent, when agriculture demanded 20 per cent.

I may say for the benefit of the gentleman from New Jersey [Mr. BACHARACH] that he may have had reference there to effective rates, but you know that you could give a 75 per cent rate on cotton and it would not do any good. You have given an increase on corn, but it is not worth a snap of your fingers. There are various other increases on things of which we have large exportable surpluses where we will not be able to realize the full, if any, effect of the tariff; and I say to you that while you give these increases you overload him with expenses, and let us look into that.

Mr. American Farmer, I want to ask you to look into the face of your Representative when he comes home this summer and ask him if he has decreased the overhead expenses of your farm.

Well, if the Representative is honest and square with him, he will have to start out by saying that the three potential things in the farmer's life—food, clothing, and shelter—have been increased to a considerable extent.

Let us now look at these increases on agriculture. They carry, of course, burdens even to the farmer; and that is one of the difficult things about solving the agricultural problem. Take, for instance, food supplies. Here is the western wheat grower who has to go South to get his cotton, and the cotton farmer has to get his wheat and his corn from the West. The citrus fruit growers and the vegetable growers of the southern sections and of California have to sell their products, which are the products of a small percentage of farmers, to the great body of the agricultural population in this country.

So, naturally, when you increase the agricultural rates the farmers have to bear some burdens along with other consumers. Of course, they justify it, and we justify it, upon the ground that one set of farmers in this country are not opposed to the other fellow getting a little out of the tariff benefits, if he can, and for that reason they are willing to bear the burden. They take the same attitude that labor takes.

But there is one item of increase here that you give, upon which the gentleman from Utah [Mr. COLTON] spoke a few moments ago, that I want to lay the yardstick upon; the yardstick that was given us by the chairman of this committee in his opening speech, and that is sugar.

My State joins Louisiana, and there never was a better group of men in the world representing a State than the men who represent Louisiana, and I have no better friend in Congress than the courteous gentleman from Colorado, who is one of the squarest men I have ever known, and it is not easy to oppose a bill which favors his district, I assure you.

The gentleman from Oregon [Mr. HAWLEY] said in answer to some half dozen questions when they were put to him as to

why tariffs were not given on certain things, "You did not make out your case."

When I went on the Ways and Means Committee I had never been in a tariff hearing before. I went on there, I thought, as a good juror. I know that there is considerable complaint going over the country right now about the jury system, and a distinguished professor recently wrote that the trouble with the jury system is that the attorneys always try to get the most ignorant fellows on the jury, and the ones who know the least about the facts and the law in the case. I say to you, frankly, that under that yardstick I could have qualified as an extremely good juror on this tariff committee; but I had no bias, no prejudice, no pride of opinion or precedents or anything like that to disturb me. I sat down and I thought I would try every one of the cases upon its merits, and I can say that things are left out of this tariff that I think ought to be in it. I shall not name them at this time, but I say to you that of all the commodities, from the testimony, that overwhelmingly lost its case, it was sugar.

What was the program of the sugar people? Men, listen to this. They had a program whereby they meant to stop or to limit the importation of Philippine sugar after it reached 500,000 tons, which would have paralyzed the trade and commerce of 12,000,000 dependent and helpless people. They also had a proposition to put a 3-cent tariff on sugar.

The testimony disclosed that in some parts of the beet-sugar area there were business concerns making great money. There were other industries that were not making good money. I think it has been said here several times that a great beet-sugar company declared a dividend on their common stock of around 40 per cent. I do not know whether this is true or not. But let us take their own admission which, as I recall now, was above 25 per cent on their common stock and 7 per cent on their preferred stock, and I may say that this represents one-half of the beet-sugar industry, and yet they say that although one-half of the beet-sugar industry can declare dividends like these they need an additional rate that must come out of the pockets of every man, woman, and child in America. It is not right.

Mr. COLTON. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. COLTON. I know the gentleman wants to be fair in this respect as well as in others.

Mr. RAGON. Absolutely.

Mr. COLTON. There is only one company that has declared a dividend at all during the last two years.

Mr. RAGON. That is the Great Western.

Mr. COLTON. And that company declared less than 8 per cent upon its money invested. The gentleman is referring to the dividends on the capital stock.

Mr. RAGON. On the common stock.

Mr. COLTON. That is a long story and there is a reason for that; but I simply want to say that on the money invested the dividend declared by the company is not an unreasonable one, and that is only one company.

Mr. RAGON. I read their statement. The gentleman gives their side of the statement, but I will say to you that any schoolboy in Washington can take the testimony given the committee and draw his own conclusion. It does not amount to a snap of your fingers to me. I will eat sugar whether they raise rates or do not raise rates, and so will you. So I am not prejudiced in the matter. If I were prejudiced either way, I would be for sugar.

Mr. HOUSTON of Hawaii. Will the gentleman yield?

Mr. RAGON. Wait until I answer the gentleman from Utah. According to the gentleman from Utah it is admitted that this is a prosperous and a growing concern.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. DOUGHTON. Mr. Chairman, I yield the gentleman 20 additional minutes.

Mr. RAGON. That represents more than half of the sugar industry—48 per cent they say, but I never heard it that low before. All right. Why should we protect one-half of some industry because of bad management, bad location, and any one of the 50 other things that might make an industry unprofitable. Here is a street corner where I can sell drugs and make a good profit. Only a block or two away with all the drugs and all the fancy trimmings in the window to attract I could not make a living to save my life. Is this American Government going to that extreme where it will go out and subsidize, because that is what it means, a business of such a character in order to make it profitable?

Mr. GLOVER. Will the gentleman yield?

Mr. RAGON. I yield.

Mr. GLOVER. The gentleman states he was permitted to be on the Ways and Means Committee a part of the time. I would

like to ask why it was, with the present tariff on sugar, the Tariff Commission reduced it to 1.54, your committee raised it to 3 per cent?

Mr. RAGON. Well, the gentleman from Indiana [Mr. ELLIOTT], in presenting me to his friend, said, "I want to introduce to you one of those members of the Ways and Means Committee like the tail of a dog—the only thing that it was used for was to wag." When the Republican members got to the milk in the coconut they closed the door. I do not blame them, because I understand they had good Democratic precedents for it. But it makes it none the less tomfoolery in the eyes of the American people.

Mr. HOUSTON of Hawaii. The gentleman referred to the price index of farm industry. Will the gentleman give the price index of sugar?

Mr. RAGON. I can not go into that in detail.

Some men defend the Tariff Commission and some oppose it. I have had no contact with it, but I judge they are fair and square men, and I take it that they are men that can be depended upon. They were, I think, appointed by a Republican administration. They rendered a verdict on sugar, and that verdict read, "Thou hast been weighed in the balance and found wanting." Then you come in here and ask the House as a jury to put a limit on sugar, and at the same time take \$80,000,000 out of the pockets of the consumers. I say to you it is not right.

Mr. COLTON. Will the gentleman yield?

Mr. RAGON. I yield.

Mr. COLTON. In the interest of accuracy I want to say that the present Tariff Commission that made the investigation were not all appointed by a Republican administration.

Mr. RAGON. Well, so far as they were appointed by a Democratic administration that makes them all the better.

Now, here the President had the flexible tariff provision in the 1922 bill put in there for the purpose of equalizing the tariff. If the present rate on sugar is wrong, the President should have increased it. He refused to do it. The Tariff Commission refused to do it. Why should Congress be called upon by a little fistful of people in Colorado and in Louisiana to increase the tariff rate? I shall leap the bounds of personal friendship in this case and be the friend of the mistreated and downtrodden consumer.

Mr. GIFFORD. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. GIFFORD. If the gentleman is for a tariff on hides, how would that affect the cost of boots and shoes?

Mr. RAGON. I can not answer the gentleman, because that has given me a good deal of concern. I realize what you are up against up there. It is a hard proposition. There is a strong argument from certain sections with reference to the shoe industry, and I have in mind particularly Lynn, Mass., and I think the mayor of that city appeared before us. I will not express any opinion upon it at this time, because I do not know enough about it.

Mr. GIFFORD. Because of the reflection of the cost of the shoes on the farmer?

Mr. RAGON. That is true; but you are giving the farmer a big raise back on something else, and maybe the farmer who raises the hides is in favor of paying the sugar tax if he can get a rate on hides, and if he is, he, in the views of some, may be entitled to his tax on hides.

Mr. CROWTHER. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. CROWTHER. On what basis was the gentleman's figure, the \$83,000,000, I think he said, that would be the additional cost of the poor little folks who want sugar?

Mr. RAGON. I am very glad that the gentleman has asked me that question. I take that figure because it is the lowest figure that I have seen given. I think one gentleman got up here the other day, I think it was the gentleman from Wisconsin [Mr. FREAR], and I do not know how high he did skyrocket it; and then I heard the gentleman from Illinois [Mr. RAINEY], and I do not know how high he put it, and I have gotten all of the propaganda on it the gentleman has received, which is a tub full, and I believe one person did place the figures as low as \$0, and I took that as the number.

Mr. CROWTHER. Of course, the gentleman realizes that similar prophecies to those that he is making were made when the duty was put on sugar in 1922, and, of course, he knows that no such result has happened, but that sugar is cheaper today than it was when the act was passed in 1922. Of course we have got to have sugar; it is a necessity, and we have to have it to sprinkle on the rice that is raised in the gentleman's State that we carry a duty on and that even the Underwood tariff bill took care of.

Mr. RAGON. If it is not necessary to have this rate, then, in the words of the poet, why in the world do you want it?

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. SIMMONS. Do I understand that the gentleman is of the impression that the gentleman from Wisconsin [Mr. FREAR] stated the cost of the tariff on sugar to the American people in his speech?

Mr. RAGON. I think it was Mr. FREAR.

Mr. SIMMONS. I attempted to find out if that was the basis of his figures. He does not say that the tariff will cost anything, and he did not arrive at it in that way. He said that if somebody—

Mr. RAGON. Oh, I do not want Mr. FREAR's speech put on mine. I may be wrong in these figures. I do not think I am.

Mr. LA GUARDIA. It is very easy. There are 130,000,000 consumers and consumption is 104 pounds a year, and if you add 1 cent a pound you have your \$80,000,000.

Mr. RAGON. What gets me is that they want to increase these rates and then come in with the statement that the tariff of 1922 was not effective and that the rates were not effective. If the rates are not effective, why in the world do you want them?

Mr. CROWTHER. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. CROWTHER. The gentleman sees the condition which the sugar business is in to-day after those rates have been in existence for seven years. Was Cuban raw sugar ever selling any cheaper in New York than it is to-day?

Mr. RAGON. No.

Mr. CROWTHER. And you get 10 pounds of sugar right here on Pennsylvania Avenue for the household for 49 cents, nearly 4 cents a pound cheaper than it can be obtained in any other nation of the world.

Mr. RAGON. I will ask the gentleman not to make a speech and put it into mine. I am not going to let the gentleman impose one of his high-tariff speeches into my speech. I tell you now, if you want to know my exact position on the tariff, you get my friend CROWTHER's position and then you go over and get the position of my friend from Alabama, Mr. HUDDLESTON, and find a place midway between them, and I will be there. [Laughter and applause.]

Mr. HUDDLESTON and Mr. CROWTHER rose.

Mr. RAGON. Oh, wait a minute. I have got them both on the floor now.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. HUDDLESTON. Did I not demonstrate to the gentleman with certainty the other day that the position which he now says is his is the only unprincipled position in connection with the whole subject? [Laughter.]

Mr. RAGON. From the gentleman's standpoint; yes, but I recall that the gentleman in the course of his speech the other day said that he was of the fast-fading few of an old stock, and in less than 10 minutes my friend from New York Mr. LA GUARDIA got up and said that there were not 10 men anywhere who stood where the gentleman of New York, Doctor CROWTHER, stands on the tariff. I say to both of them that, according to my way of thinking, if I understand anything about what modern economists believe, the ideas of both of them on the tariff are so old that if they do not watch out some relic hunter is going to grab them and place them in some museum in which they keep ancient things. [Laughter.]

Mr. CROWTHER. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. CROWTHER. I want to say in answer to that—

Mr. RAGON. Oh, ask a question.

Mr. CROWTHER. I just want to say this, that if these ideas are old, then there is nothing new in the middle-of-the-road principle the gentleman adopts. That is just as old as the other. It is a straddle principle, where you are neither for or against.

Mr. RAGON. I admit that the gentleman from New York and the gentleman from Alabama represent two very old schools of thought in American economic life, but I thought the schools were closed a long time ago for lack of pupils. [Applause.] I admit that each would make an efficient member of King Tut's cabinet, but we might just as well get down to brass tacks, and if you operated the Government on the basis of either one of these theories—well, if the executives of the Pennsylvania Railroad were to adopt the economic views of either one of the gentlemen, they could not get a handcar out of the Union Station inside of 60 days.

Mr. HUDDLESTON. Mr. Chairman, would not the gentleman prefer that he denominate his school as the school of straddle?

Mr. RAGON. Straddle or strategy?

Mr. HUDDLESTON. Straddle.

Mr. RAGON. No. I do not want to praise myself, but I denominate the school as the school of the vast majority of the men here, who want to see practical and honest business methods adopted in this country and carried on successfully.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. GIFFORD. The gentleman is making a wonderful speech, but I think the first part of his speech which included the Democratic platform is the proper school for him, based on the difference in the cost of production at home and the cost of production abroad. But with the cost of many things 10 per cent less in Canada and 20 and 30 and 40 per cent more in Europe and 75 per cent more in Asia, how will he apply that yardstick?

Mr. RAGON. There is no difficulty about that. The difficulty you have is to find out the cost. I hope that at some time or other we will have a tariff commission or some other tribunal which will give us the real facts here, so that we will not have to deal with the subject in such a way as to compel Democrats who represent agricultural districts to stand outside the door of the committee room and ask of those inside what is being done.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. GIFFORD. In the words of your candidate, the principle is right and only the mechanics need to be considered.

Mr. RAGON. I am not going to take issue with the gentleman from Massachusetts. As I said before, I supported the Democratic platform and voted for the man who was nominated upon it—and so did Massachusetts. [Laughter.]

Mr. GARRETT. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. GARRETT. As to the question of finding out the difference in cost at home and abroad, the chairman of the committee evidently made a mistake the other day when he said the doors were closed in foreign countries so that we could not obtain figures of foreign cost. He said they could not obtain the facts and that in some cases they did not need them.

Mr. RAGON. Yes. Now what does the American farmer find when he looks at the overhead in his actual living expenses, or in his home, or about his farm, if he wants to construct an outbuilding or a barn or a home? He must pay more for his shingles and the bricks and mortar that goes into them. He finds that in all the common things he must use there is an increased tariff rate. It may not be much in many instances, but every increase will increase the burden of the farmer.

I think the gentleman from Iowa [Mr. RAMSEYER] commented adversely yesterday upon those who opposed taking rakes and pitchforks and brooms and things like that off the free list. But, my friends, furniture was given an ad valorem increase from 33½ to 40 per cent. That is one of the commonest things the farmer uses. You will find that in the steel and twine and wood and other articles that go into the farmer's mowers, cultivators, binders, and so forth, are covered with an increase. I say to you gentleman in all good conscience that does not meet the yardstick of the Republican platform or the Republican candidate, and it does not meet the yardstick of my President of the United States. [Applause.]

What are we here for? I say to you frankly, that if you will let either my friend from Alabama or my friend from New York write the tariff platform of the Republican Party, I will underwrite a Democratic victory every 2 years for the next 100 years. It is bad economics to say that upon the farmer we can continue to heap these burdens.

I have not the time to go further on the increase in the farmer's overhead. Your majority party are under obligations to look into these things.

I do not think there is any man I ever met in American life who has the capacity of expressing himself better than the gentleman from Iowa. He spoke for more than an hour yesterday and he made a most remarkable speech. Whom does he represent? Eighty-five per cent of my people in Arkansas are interested in agriculture. I suppose in the State of Iowa and some of these other Western States it is a greater proportion, and throughout the South generally it is just about as great. When the gentleman from Iowa spoke yesterday, I said to myself, "He is sounding a clarion note that will bring hope to the breast of the American farmer." A few days before that the gentleman from New York [Mr. CROWTHER] said he stood for a certain rate, and when he left the floor after he had made a great and courageous speech, be it said to his credit, there was no doubt in the mind of anybody as to where he stood.

Where did the southern farmer have to look for aid and comfort when his own Representatives were shut out from all legislative participation? Where does the western farmer have to look for aid except to the great State of Iowa and its great Representative, Mr. RAMSEYER?

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. RAGON. Mr. Chairman, I have been interrupted so much that I think I ought to have 20 minutes more.

Mr. GARNER. How much?

Mr. RAGON. I would like to have 20 minutes.

Mr. GARNER. I yield to the gentleman 20 minutes more.

Mr. RAGON. Now, I looked with a great deal of hope on the expressions of the gentleman from Iowa [Mr. RAMSEYER], because I know his forceful character and appreciate the logic of his conclusion. But how his words differ from the gentleman from New York, who spoke frankly and squarely for the things his section wanted. This great leader, to whom our farmers had the right to look, said his little speech and did not express his attitude on any single controverted agricultural proposition.

This Congress has been called together to legislate for the kind of people who have sent to Congress my good friend from Iowa. I am afraid the statements made by the gentleman from Texas [Mr. GARNER] in his opening speech the other day are far too correct. I do not mean to criticize the eastern people. They represent their own people and they are looking out for their bread and meat. But, as the gentleman from Texas said the other day, they do not see beyond the Ohio River southward or beyond the Mississippi River to the west. Why did the gentleman from Iowa, the only real representative of the farmer among the Republican committeemen, refuse to take a stand? Was he afraid of the spirit of the industrial East which dominates our committee—

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield there?

Mr. RAGON. Yes.

Mr. JONES of Texas. The agricultural products included in the speech of the gentleman from New Jersey referred to were noncompetitive products on which there is a high rate, such as raw rubber and tea and coffee. That would run the level up to a great extent.

Mr. RAGON. Yes. I thank the gentleman.

Mr. BEEDY. Mr. Chairman, will the gentleman yield in connection with what the gentleman has just said?

Mr. RAGON. Yes.

Mr. BEEDY. I want to suggest that there are a good many farmers up in New England who are entirely forgotten by this Republican Committee on Ways and Means.

Mr. RAGON. I think the gentleman from Maine is one of the people who made out a good case and got nothing for the potato growers of Maine.

Mr. GIFFORD. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. GIFFORD. The gentleman speaks of "little New England." Does not the gentleman know that Pennsylvania and Illinois and Michigan and Ohio and all those other States are included in what he refers to as "New England" in his argument?

Mr. RAGON. I will admit there is some room to include the States the gentleman has referred to, and I do not want the gentleman from Massachusetts to think for one minute that I do not appreciate New England. If the gentleman feels that way about it, I will say that much to him. This country owes much to your section.

Some one the other day, in justification of the committee, referred to what happened back in 1914, but I can not understand this: If the 1914 régime, under the Democrats, was so bad, why do you Republicans want to keep on justifying everything you do because we did something back there. They say that during that time the Ways and Means Committee did not have anybody on it from the West. Agriculture had somebody on that committee, though; agriculture had every man from the South upon it and whoever was here from the West. However, my quarrel is that the people who mold this tariff opinion and the committees that control its passage through this House do not understand—I will not say they are not in sympathy—conditions out in the agricultural West and South. My friend from New Jersey [Mr. BACHARACH] told us the other day about the number of farmers in his district. He calls them farmers, but we call them gardeners down in our country and out in the West. Of course, they are agriculturists, in a sense, but they do not know, and the gentleman from New Jersey, I am going to say, does not know, anything about agricultural conditions as compared with my friend from Iowa. My appeal to-day is that we stop and recapture, if possible, that political morality that once characterized political leaders.

We passed a bill not long ago which is called a farm bill. I grant you that was a gesture, to say the least of it; but my friend, RAMSEYER, yesterday said that under that bill and this bill we would have three ways of assisting the farmer. One of them was that we would take the fellow who was given to producing an exportable surplus and put him into the growing of a commodity of which there was no exportable surplus. My friends, what would happen in the gentleman's own State? For generations and generations the farmers there have been wheat growers. Now, you ask them to quit and go into the business of growing sugar beets. You ask the fellow in the South who has been growing cotton to quit growing cotton and go to growing wheat. This does not approach the dignity of even good nonsense, it seems to me. Why not ask a lawyer to quit practicing law and go to selling goods? Why not ask a man who lives in a town where they are selling too much dry goods to quit selling dry goods and go to selling groceries or peradventure go into the undertaking business? Why do you want to press down upon the brow of the American farmer a proposition which you know is unsound?

Now, he said another thing, and I think it is perhaps true in a slight way. This new farm bill may assist us in distribution; it may assist also in stabilizing prices; but I say to you that if you think it is to increase one cent the products of the American farmer, then you think something that the President does not think. Nobody contends it will, but they expect by the use of this bill to take out some of the spread between the price at which producers sell and the price which the consumers pay. I think that may be reflected to some extent. But I will tell you what has happened in another body of this Congress. There has been a little action taken over there, and if you want to make the tariff effective for agriculture you have the best yardstick that was ever laid down. [Applause.] Did you mean it when you said it in your platform last summer? Did you Democrats mean it when you said it in your platform? Did your candidate for President mean it when he said make the tariff effective on agriculture? Did your President mean it when he said he was in favor of making the tariff effective on agriculture and that the tariff is the basis of agricultural aid? You have a chance to show whether you meant it or not. You have a chance to be put on parade, and that is when the debenture plan comes up in this House, if it ever comes up. [Applause.] We are told that the powers that be in this House have decreed that we should not consider the debenture plan for agriculture, notwithstanding the fact that their platform has said we must not do otherwise than make the tariff effective so far as agricultural rates are concerned. Yet the first concrete opportunity the Congress of the United States has to make that so, not the agricultural West—no—but I am afraid the nonagricultural East has put its foot down upon it and we will not get to consider it here in the House in connection with the Senate amendment.

What does it provide? I have not the time to go into it except to touch the high spots, because I have already trespassed upon my leader's time. What does it provide? It provides that the American farmer who has an exportable surplus of wheat shall be entitled to one-half of the tariff rate at the port. In other words, when the Kansas farmer exports his 1,000 bushels of wheat he will be entitled to a 21-cent drawback on that wheat. That is what it is, a drawback.

Well, immediately there goes up the cry that this is not economically sound, and some of my own party members over here say to me that that will not do, that it is a subsidy. Well, let us look at that just for a moment. You have heard the tariff accused of being a subsidy. The only thing that keeps it from being within the most exacting requirements of that definition by Webster is the fact that some money is covered into the Treasury; but have we been frowning on subsidies, if you want to call this a subsidy? Who are we that we should say to the American farmer, "We will tax you upon everything you eat and wear and the shelter that protects you, and yet we will not let you participate to the extent of a 21-cent drawback on the exportable surplus of wheat? Is there anything wrong about this? Is it shocking to the rules of economics that our Government and our parties have practiced? Not a bit of it.

Now, listen to me. Do you know what the miller gets? Is the miller any better American citizen than the American farmer? Is the miller entitled to any more than the farmers of this country? What do they get? Canadian wheat is brought in here and is met at the line with the tariff. It comes back here and is made into flour and the miller takes it to the Canadian line and says, "Give me back 99 cents of every dollar that I paid as a tariff on this wheat," and you Republicans wrote that into the 1922 tariff bill yourselves, and I do not know but what we Democrats were particeps criminis back in 1912 and 1914. Look at the record here.

Bauxite—who is interested in bauxite? Bauxite is a component part of aluminum. Look what happened here last year. Crude bauxite was brought into this country under a rate of \$1 a ton, refined, shipped out, and what did the exporter of that bauxite do? He walked right over to the customs office or to the proper authorities and got back 99 cents out of every dollar that he had paid, and do you know how much the drawback on bauxite amounted to last year? The drawback on bauxite last year amounted to the sum of \$152,405.

Let us look at aluminum. Oh, it is awful bad to talk about giving the American wheat grower a little drawback, but what happened to aluminum? Why, my friends, the drawback on aluminum last year, alone, on this small item amounted to \$673,619.

Oh, if it is a crime to give the American wheat grower a little stipend of one-half of the tariff, how great a crime is it to give the Aluminum Co. of America a rebate or drawback of practically its entire tariff rate.

Listen. Are these remote cases? Are these small figures? Let us look at this for a minute. Before the war, as I recall it, the drawbacks amounted to between two and three million dollars. Last year the drawbacks in this country, as I recall it, amounted to \$16,000,000, and you yourselves have indorsed that principle.

You have the millers, you have the aluminum owners, you have the bauxite producers all enjoying a drawback, and yet you decline to even let the American farmer be considered on the floor of this House.

Mr. WAINWRIGHT. Will the gentleman yield for one question?

Mr. RAGON. Yes.

Mr. WAINWRIGHT. I would just like to ask the gentleman how much of that drawback, or what amount of the debenture, is ever going to get back to the actual producer, the American farmer?

Mr. RAGON. The only way I can answer that, I will say to my friend from New York, is that you know we have importers by the score and importations by the millions, and the importers will want these debentures. They may not bring a dollar, but if you will stop and weigh it in the light of common experience, I believe no one will say that they would ever be at a considerable discount because of the demand. The Government of Sweden, as I recall it now, guarantees to their people 98 cents on the dollar on their debentures.

Mr. MICHENER. Will the gentleman yield?

Mr. RAGON. I yield to the gentleman from Michigan.

Mr. MICHENER. Does the gentleman make any distinction between a bounty and a drawback?

Mr. RAGON. Well I have not in mind the definitions right now, but I can not see a distinction between the drawback and the debenture plan, I will say to my friend.

Mr. MICHENER. For instance, assuming that the present tariff law permits wheat to come into America in order that American labor may be employed in manufacturing the wheat, that wheat paying a tariff when it enters the United States; after American labor has benefited by operation upon the wheat, the wheat is returned to the border and receives the drawback.

On the other hand, assuming in the city of Detroit we manufacture automobiles and we are permitted to manufacture all the automobiles we desire, ship those automobiles to the port, and there receive from the Treasury of the United States a bounty or a premium on the product which we manufacture and send abroad, is there not a distinction between a drawback and a bounty?

Mr. RAGON. I do not know. The gentleman wants to call it a bounty, while I want to leave it just like it is, a debenture. It is a debenture in the Senate bill.

Mr. MICHENER. As a matter of fact, is it not a bounty?

Mr. RAGON. Well, some say it is a bounty and some say it is a subsidy; but let us call it what it is, a debenture.

Mr. MICHENER. The gentleman is a good lawyer and I have every respect for his judgment; would the gentleman say that in his judgment it is not a bounty?

Mr. RAGON. I would not want to be bound by any definition I might give at this time on the spur of the moment. I am satisfied with calling it a debenture and assuming it to be just what it has been called and defined by the Senate. That is all I can go on, and I have no reason to classify it as a bounty or anything else.

Mr. JONES of Texas. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. JONES of Texas. I would just like to suggest that in exporting steel they give a rebate or a reduction on steel for exportation of 60 cents, and is not that just as much a bounty as the debenture on wheat?

Mr. RAGON. I can not see any difference. I do not know whether you would want to call it a bounty or not. The fact is, I have seen two or three agricultural bills mutilated here because of that word "subsidy" or "bounty."

I am not so high on the debenture plan, but I say if you want to bring agriculture up to a parity with industry then the debenture plan is justified. You can not excuse yourself from accepting it if you write this tariff bill and the President signs it. You may call it a bounty, you may call it a subsidy, you may call it a debenture, but you must accept the cold fact that if we are not gun-shy for the miller, if we are not gun-shy for the aluminum companies, if we are not gun-shy for bauxite then why be gun-shy for the western and southern farmers, the wheat and cotton growers, on the drawback.

Mr. JONES of Texas. One other observation—when we raised the rate on aluminum under the Fordney-McCumber bill we reduced the amount of revenue on aluminum and kept about \$391,000 out of the Treasury in that way. Is not that just as much of a bounty as the other—when you get the rate above a point where it produces the highest amount of revenue a rise beyond that becomes a bounty?

Mr. RAGON. I appreciate what the gentlemen from Texas says. I am trying to give you the terms of the Senate amendment.

Mr. BROWNING. Will the gentleman yield?

Mr. RAGON. I will.

Mr. BROWNING. On the question of whether the farmer will get the increase, I want to ask what would be the use of the farm board unless the farmer gets the raise. What would be the use of having a farm board?

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. DOUGHTON. I yield the gentleman five minutes additional.

Mr. RAGON. Being a committee member, as long as questions are asked me I feel that if they are not merely to provoke controversy I ought to answer them.

What is the debenture plan in this bill? Why, it says that this board has the option of adopting that if it wants to. Are you going to continue to vote to give the millers a drawback, to give the aluminum companies a drawback, to give the bauxite people a drawback and not permit the board, under the farm bill, to say to the wheat growers of Nebraska that they can have the benefit of the drawback if the board sees fit to resort to it? How are you going to answer? Oh, it is said that the board is a powerful board, and that it will be sympathetic to agriculture. Yes; but it will be appointed by the President of the United States, and if he is not in sympathy with it the board will never do anything. Their action will be a reflection of the mind of the President of the United States. You say they have the power to do certain things. Yes; they have a tremendous power also to do nothing; and what the American farmer had better look out for in that bill is that the board will not do anything.

I am told that I must not say a word about debenture over here. I say, if you believe in making the tariff effective for agriculture, here is your chance. You may call it a bounty, but it will be effective to the wheat and cotton grower, and you can not get around that.

Someone says that if we put that in the bill the President will veto it. No; he will not veto it. The President is going out to select a board of master minds. Do you say that they would not have sense enough and discernment enough to determine when the debenture plan would be effective and when it would not be effective? When you say he will veto it because it is in the bill for the optional use of his board, you accredit to the President a stupidity which is insulting to Members of the House, if not to Republican leaders.

I am getting infernally tired, when some agricultural bill comes up, of some fellow snooping around and whispering in a low tone—bootlegging the opinion—that the President, if we do not vote just thus and so, will veto the bill. [Applause.] Where, in the name of the Constitution or its legal precedents, is it provided that Congress shall become the cringing sycophant at the feet of any President? No; he will not dare to veto it.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. RAGON. Yes.

Mr. DENISON. It seems to me that the gentleman from Arkansas—and I value his judgment very highly—has a misapprehension of the drawback as applied in our law. Drawbacks are allowed only upon articles that are imported into this country, not produced in this country, then processed and sent back out as an export.

Mr. RAGON. That is correct, and I know every word of it. I am now talking about the principle of getting money

out of the Treasury. They say it is a subsidy, and I want the gentleman to keep clear on that.

Mr. DENISON. But it is an entirely different principle.

Mr. RAGON. Not at all.

Mr. DENISON. They merely withdraw back out of the Treasury what they have put into it when they bring these goods into the country and have processed them and then sent them back out as an export. It does not apply to anything produced in this country at all.

Mr. RAGON. You have to have a justification for taking money out of the Treasury.

Mr. DENISON. Yes.

Mr. RAGON. As I understand, you are interested in the justification for taking these import duties and applying them to a debenture plan. I have just discussed the principle of the drawback, and if one is sound from a tariff standpoint the other is, as they are one and the same thing. We have imported \$1,200,000,000 in agricultural products each year. What do you say to the farmer? Here comes the farmer with \$1,200,000,000 which comes, directly or indirectly, in competition with our own farm products, either directly or indirectly competitive commodities. If you are going to give to others the drawback, then why not give it to the farmer, who has this great volume of agricultural imports to meet? Why not divvy up with him and give him half of the tariff back? [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield 25 minutes to the gentleman from Ohio [Mr. KEARNS].

Mr. KEARNS. Mr. Chairman and members of the committee, I had not thought until yesterday that I should have anything to say on this bill, but I have heard more extravagant statements made from the Democratic side of this House upon the subject of this tariff bill than I ever expected to hear since the writing of the Democratic platform last summer. I had thought that both sides of this House had turned to be strong protectionists. It now develops that only one-half of the House is still adhering to the platform which was written by its party at Kansas City.

It seems that the Democratic platform has been thrown into discard. Statements have been made that are very wild in their character. Every time the Democrats of the United States have had authority and the right to write a tariff bill, the country has always gone bankrupt after it was put upon the statute books. There has never been a tariff bill written by the Democratic Party where prosperity followed the adoption of the bill, but instead of happiness there has followed the most abject poverty and unemployment. In 1913 the Democrats had the opportunity of writing their last tariff bill. It was signed on October 3, 1913. Before the spring of the following year, 1914, practically all of the leading industries of the country had closed their doors. In my own district practically every town and village had a flourishing manufacturing establishment. Before the spring of 1914 came the industries had closed their doors and men and women who had depended upon their daily work for their livelihood were walking the streets and the byways looking for jobs where there were no jobs. I thought the Members on the other side of the aisle had learned a lesson from that and that if they ever came into power again they would write a protective tariff bill. I have not heard one word of commendation from that side of the House of this bill that is now presented to the House. Every one who has spoken on that side has found fault with the bill, has not recommended one paragraph of it for the honest consideration of the people of the United States.

In 1914 the business interests of this country were on the toboggan and they were going down the slide at a terrific rate of speed. Factories were closing everywhere. Men and women were being thrown out of employment, and the only thing that saved us from disaster was the breaking out of a war in Europe. Immediately men and women who had been thrown out of employment were called back to work again, and not only were they called back, but many others were employed. Farmers were called upon to feed the world. Men and women in factories were called upon to manufacture war material, guns, bullets, with which to kill boys over in Europe. That is what brought back to us prosperity. It was a great prosperity at that time, but it was blood soaked and tear stained because it came to us through the killing of boys over yonder in Europe. That is the kind of prosperity that came to us in 1914. It continued until the war closed, and when the war closed hard times came back to the United States.

I hear men talking about the tariff on sugar. I did not vote for that, but whenever I hear it condemned on that side of the aisle I sometimes think I must have been wrong. In 1920 we were still under the Underwood law, with free trade on sugar. Sugar was selling at all places in the United States at as high

as 25 cents a pound and in that year it went to 40 cents a pound without any tariff on it at all. If we are not successful enough in controlling the price of sugar with 3 cents a pound tariff, we ought to give up the reins of Government, and I was going to suggest turning them over to the other side, but they have proved too often their inability to conduct the affairs of Government. I do not care to listen to all of this talk about what high tariff rates are going to bring to the United States, because the party of the gentlemen who make these predictions has failed every time that they have had an opportunity to make a tariff bill, and the more they talk against the bill the more I am convinced that it is perfect.

When I came into the Chamber the day before yesterday the gentleman from Georgia [Mr. Cox] was talking about how infamous this bill was on the subject of a tariff or lack of a tariff on jute. He said then that the lack of a tariff on jute was in obedience to the thought and the experience and the desire of two companies over in India manufacturing jute. He said on that occasion our committee surrendered to those companies. Those men never appeared once before the subcommittee. I do not think in the testimony given before the committee they had a word to say about it. The only reason why jute was left on the free list, in competition, as they say, with cotton, is that there is no jute raised in this country, and cotton can not be used as a substitute for jute in the case of many articles manufactured here. Take, for example, this carpet on the floor where your feet are resting; there could not be a carpet-manufacturing plant operated in the United States for a day if you would take away from it the chance to get jute. They say cotton can be substituted, but there were some witnesses—and I suspect some of them were Democrats—who testified that they could not use it as a basis for carpets. One said that if you used cotton as a base instead of jute it would not lie on the floor, but it would be all wrinkled up when you came home in the evening, and from the looks of it you would think a dog had been rolling over it and had crawled under it. If you put an embargo tariff on jute you would close up every industry that manufactures carpets in all the United States.

There are other reasons. Those men who raise onions in Ohio and those who raise potatoes in Maine say that in most parts of the United States they use a burlap bagging for shipping their onions and potatoes. Why? Because they can buy a 2-bushel bag for 12 or 14 cents, and the cotton bag would cost twice as much.

Then there are still other industries that must use jute. I have a horse-collar-pad manufactory in my district which manufactures three-quarters of all the horse-collar pads produced in this country. They must have jute for the padding in those horse-collar pads. These are some of the reasons why the tariff was not raised on jute, because the manufacturers of this country can not manufacture many articles without it, and the industries that use these articles could not substitute cotton.

I would like to see the cotton farmer prosper just as I would like to see every other farmer prosper, but I do not think it is a good policy of the Government to drive out of the country the things we need and which we can not supply ourselves.

Even with such talk as I have heard from the other side of the House I still believe that the committee has fully performed its duty. We have heard from the agricultural bloc this morning. I am not going to say the word "bloc" again, because of the rebuke I got. But I am going to admit that the membership of this House who are greatly interested in agriculture have brought before our committee several instances where I believe they are right and are entitled to further protection. One instance is the wheat that is shipped here from Canada. The Canadians ship into Buffalo a great deal of wheat. It is mixed with our wheat, and is ground into flour. It comes in in bond and is manufactured into flour in Buffalo. It is then shipped into Cuba, and they do not pay the 43 cents tariff on the wheat when it comes into this country. It goes into Cuba under the name of United States flour, and it gets there free.

I think that is wrong because it displaces that much wheat in the United States. [Applause.] If they ship in 70 per cent of this flour from Canada into the United States and mix that with 30 per cent of our wheat and grind it, they ought to pay 43 cents a bushel for the wheat when it is shipped into this country. [Applause.] But whether or not that is corrected, I intend to vote for this bill, because it protects many thousands of men and women who have a job now but would not have a job if this bill should fail.

I think the cattle raisers of the West and South and Southwest are entitled to more protection. Live cattle are now shipped into this country from abroad. If they weigh 1,050

pounds they come in for $1\frac{1}{2}$ cents a pound. If they weigh more than that, they come in at 2 cents a pound. I heard an argument this morning that was very convincing to me. If on investigation the committee finds that the gentleman who made that argument is right, then that tariff ought to be changed. It is said that very few steers that are shipped into the United States ever pay the high duty of 2 cents, because when a consignment of cattle is shipped into the United States they are of various sizes. Some steers will weigh 1,300 pounds and some 800. As they weigh them all together and divide the number of pounds by the number of head of stock, they fall below 1,050 pounds, and that whole consignment comes in at $1\frac{1}{2}$ cents a pound, and very few cattle come in that pay 2 cents a pound. I was very much impressed with the proposition of lowering the weight to all above 600 pounds, to pay 3 cents a pound and all under 600 pounds $2\frac{1}{2}$ cents. I think the cattle raisers of the South and the West and the Southwest are entitled to this and ought to have it.

But that is only one thing out of many thousands of items that are in this bill. I do not blame these men who are interested in the cattle industry for making their contention. They are only asking for something they ought to have, and by correcting that you are making a better bill out of what is already a mighty good bill. Of course there is a great move on foot now to have hides put on the protected list. I am against it, although if a majority of the committee believes it is right, it ought to go along.

There ought to be given a protective duty beside on leathers and on shoes. The leather industry is prostrate now, and if a duty is placed on hides, then there ought to be not only a compensatory duty put on leathers but there ought to be a tariff duty put on leathers. Then also there ought to be the same thing for shoes, because, while the shoe industry is still in a thriving condition, things are getting bad, for the reason that there are shoes manufactured in several places in Europe where the wages paid to the labor is not more than one-fourth of the wages paid to labor here.

I was astonished yesterday to hear the gentleman from Missouri stand up and argue almost an hour that the wages paid in Europe—and he traced them from 1735, I believe it was, up until a few years ago—had always been higher there than in the United States. I do not know where he got his information.

Mr. ARENTZ. Will the gentleman yield?

Mr. KEARNS. Yes.

Mr. ARENTZ. I think quite a number of my colleagues got the same idea from the gentleman's remarks, but he said that American workmen produce so many more units in this country as compared to what they produce in Europe that they were not paid in proportion to the amount they produced.

Mr. KEARNS. Yes; but he said they got more wages over there.

Mr. ARENTZ. No; I do not think he said that.

Mr. KEARNS. Well, he should have made himself clear.

Mr. ARENTZ. That is true; but he said the American workman was not receiving a fair proportion of what he earned for his employer.

Mr. KEARNS. But he is still kicking because the producers of American products of the mine, factories, and various other places, which are rendered into the things that men need, were paid too high, and I understood him to say he wanted wages raised in this country, and yet the wages in Europe would still be higher even if they were raised here.

Mr. ARENTZ. I am not objecting at all to having wages raised in this country, but I would like to see them raised in Europe too.

Mr. KEARNS. When you do that you ought not to object to the prices the manufacturer charges.

Mr. ARENTZ. I certainly do not object to that. I want to see a tariff on hides and livestock, and I am pleased beyond measure to hear the gentleman from Ohio voice the sentiment that he has with respect to livestock.

Mr. KEARNS. I have not yet given up the idea that the gentleman from Missouri was trying to argue that the price of labor in Europe was greater than it was here. Now, the only excuse for having a tariff in the United States is to protect our American workmen, and the result of a tariff so far has been to pay wages here that are greater than any place in all the world. We all know there is only one reason for it, and that reason is found in the fact that the manufacturer is given a protective tariff so that he can sell his goods on the market at such a price as to get the money with which to pay the wage earner.

Mr. ARENTZ. Of course, if the workmen in Europe receive more wages per unit for what they produce how can Europe ship over here and undersell us on everything? So it seems

to me the premise of the gentleman from Missouri was ridiculous to start with.

Mr. KEARNS. It may have been right but it sounded very ridiculous to me when he was talking.

Mr. COX. Will the gentleman yield?

Mr. KEARNS. Yes.

Mr. COX. Will the gentleman permit me to ask him a question concerning a point he has already covered in his address? I happened not to be in the Hall when the gentleman made the statement but I understand he has given the committee as a reason why no tariff upon jute was recommended the fact that jute is indispensable to the carpet and rug industry of this country.

Mr. KEARNS. That is partly the reason, but that is only one of the reasons.

Mr. COX. I concede that the carpet and jute manufacturers do contend that there is no other material that is quite as suitable for the manufacture of those articles as is jute.

Mr. KEARNS. That is suitable at all.

Mr. COX. Well, I think the gentleman is in error about that. At this point I would like to direct his attention to a study conducted by the Department of Commerce, which is F. L. 16, in which they make the observation that hemp is a better material than jute for the rug and carpet business.

Mr. KEARNS. That did not appear in the evidence.

Mr. COX. Well, that is in the record, sir, which the committee had before it. Now let me ask this question: Has the gentleman informed the committee as to what quantity of jute is used annually in the rug and carpet business?

Mr. KEARNS. I think 35 or 36 per cent.

Mr. COX. The gentleman means of the jute imports?

Mr. KEARNS. The jute that comes into the United States.

Mr. COX. I beg leave to correct the gentleman. The carpet and rug industry contend that they use annually 80,000,000 pounds of jute yarn. However, the report for 1928 shows that they used 64,000,000 pounds. Now considering that the carpet and rug industry use only 64,000,000 or 80,000,000 pounds of the entire importations of 1,000,000,000 pounds, does the gentleman think that the cotton grower should be denied the protection that would result to him from the imposition of a duty against jute?

Mr. KEARNS. If that were the only thing for which jute is used, I would say no, but it is used for a great many purposes.

Mr. COX. Of course, it is used for many purposes, but the rug people claim they must have jute in spite of the statement of the Department of Commerce.

Mr. KEARNS. Yes; but the Department of Commerce does not claim that any other known commodity can be used.

Mr. COX. Would the gentleman oppose exempting all yarns or all jute that is carried into the manufacture of rugs, but impose a fair rate upon the rest of the commodity that is imported into this country?

Mr. KEARNS. Yes; I would oppose it. I would because there are so many other things for which jute is used that nothing else could be substituted for, and it would increase the cost too much. For instance, take bagging—

Mr. COX. Of course, it is going to increase the cost.

Mr. KEARNS. It would more than double the cost of bagging.

Mr. COX. No.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. COX. Will not the gentleman use some more time, so that I may ask him a further question?

Mr. HAWLEY. Mr. Chairman, I yield the gentleman from Ohio five additional minutes.

Mr. COX. With respect to rugs and carpets, what is the gentleman's opinion as to the increased cost of those fabrics should a duty of 3 cents per pound be imposed upon raw jute?

Mr. KEARNS. But the gentleman wants the jute that is used in the manufacture of carpets exempt.

Mr. COX. No; I do not want it exempted. I do not think it ought to be exempted.

Mr. KEARNS. The gentleman suggested that, did he not?

Mr. COX. Yes; but in view of the insistence that to impose a tariff upon jute would cause a raise in the price of carpets and rugs, I was wondering if the gentleman would accede to the levying of a duty, upon condition that those industries be exempt.

Mr. KEARNS. No; I would not, because it would cost you in the South to cover your cotton bales more than you would get out of it.

Mr. COX. Well, of course, I differ from the gentleman, and I feel I can afford to assume to speak for the cotton grower.

Mr. KEARNS. And it would cost more for the men who raise wheat and oats and potatoes and onions.

Mr. COX. I concede, sir, that, of course, sacking material would cost more.

Mr. KEARNS. It would cost twice as much or more.

Mr. COX. The gentleman is in error about that.

Mr. KEARNS. That is the testimony.

Mr. COX. Let me repeat my question to the gentleman. What is his opinion as to what would be the increased cost of rugs and carpets per square yard should a duty of 3 cents per pound be levied upon the raw commodity?

Mr. KEARNS. I did not investigate that, because every carpet maker and every rug maker that appeared before us said he could not make rugs or carpets without jute, and I did not go any further than that in the investigation.

Mr. COX. Will the gentleman permit this statement in the interest of explaining the situation—

Mr. KEARNS. If it is a short statement.

Mr. COX. The Department of Commerce furnished the information that about 41 per cent of a rug consists of jute. If that 41 per cent constitutes less than one-half pound, then the effect of putting a tariff upon jute would not increase the cost of rugs more than a cent and a half per square yard.

Mr. KEARNS. So far as that is concerned, that did not enter my mind, because, as I said before, they all stated that they could not manufacture without it.

Mr. COX. I concede, sir, that the jute interests make that contention, and they have made that representation throughout the country for three-quarters of a century.

Mr. KEARNS. Not only the jute interests but the carpet manufacturers. Now, there is only one other matter to which I want to refer. Some one said on the floor of the House yesterday that the increased tariff on rope or on cordage would mean that the American farmer would pay 60 per cent of the increase. The American farmer will pay less than 12 per cent of it, because he does not buy to exceed 12 per cent of the cordage that is made here or is brought into this country. The marine interests of the country buy 60 per cent of it, the men who drill for oil buy 8 to 10 per cent of it, and the men who drill for all other purposes use about 12 per cent, and the farmers of the country buy, on the average, less than \$1 worth of rope a year.

The trouble is that in reading the statistics so much of the binder twine has entered in the list of statistics with cordage that it is made confusing, and binder twine should not enter into it at all, because it is not cordage and there is no tariff at all on binder twine. Binder twine comes from any country that wants to ship it in here without paying any kind of tariff. So keep in mind the fact that of all the cordage that is used in the United States the farmer buys less than 12 per cent, and it costs on an average of about \$1 per farmer per year. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. HAWLEY. Mr. Chairman, I yield 20 minutes to the gentleman from Montana [Mr. LEAVITT].

Mr. LEAVITT. Mr. Chairman and members of the committee, there are a number of schedules in this bill I would like to discuss with the Members of the House, but I find it necessary at this time to confine myself to the one that has to do with sugar. I am supporting the committee in the report to the House that the tariff on sugar shall be increased from a base of 2 cents to 3 cents, with the 20 per cent differential in favor of Cuba, as is now provided in the treaty, making 2.4 cents on the Cuban sugar.

I take this position in full recognition of the fact that this is one of the most controverted items in the entire bill. I take this position on the basis of the charge that has been made that this is the battle of the sugar bowl, and I claim and I hope to be able to prove to you that this added protection to American sugar produced on American farms by American farmers and brought to its final state in American refineries will have a tendency to stabilize and reduce the cost of sugar to the people of the United States rather than to increase it. The contrary has been frequently charged here on the floor of this House.

I also wish this afternoon to discuss with you the question of who it is that is leading the fight against this increased tariff for the protection of an American industry.

To begin with, we have been receiving day after day one communication after another from an organization that calls itself the United States Sugar Association. Now, let us see who they are. Do they produce any sugar in the United States? They do not.

They bring some raw sugar here for refining, but let us look at the directory of that company and we will see that it reads, as has been well said, like a page out of a Cuban telephone directory.

Let me read a few of the names of the members: Antilla Sugar Co., Caracas Sugar Co., Cuba Cane Sugar Corporation,

Cuban-American Sugar Co., Cuban Dominican Sugar Corporation, Czarnikow-Rionda Co., Elia Sugar Co., Francisco Sugar Co., Homiguero Central Corporation, Ingenio Porvenir C. por A., Manati Sugar Co., New Niquero Sugar Co., Punta Alegre Sugar Co., Soledad Sugar Co., Sugar Estates of Oriente (Cuba), Sugar Plantations Operating Co. (Habana), Tuinucu Sugar Co.

In other words, this organization that has been fooling us, or attempting to do so, by claiming to represent American interests by taking the name of the United States Sugar Association is made up very largely of people or citizens of a foreign country, with the addition of some American citizens, who have invested in Cuban sugar business many millions of dollars. The question confronts us, Are we going to have in mind the development of our own industry employing labor in the United States and spending in their own communities 90 per cent of the income from the sugar industry, or are we going to send greater profits abroad into a foreign country merely because of sentiment that we must forever give complete acknowledgment that the interests of the island of Cuba shall be paramount to the interests of the American farmer?

I am sympathetic with the Cuban Republic. It happens that 31 years ago about this time I enlisted to go down into Cuba with a good many other boys for the freeing of Cuba from Spanish rule. Many of the boys that went with me are still there, having given their lives for the independence of that country.

Cuba can not charge the United States with anything except great consideration. She can not expect us to penalize to the point of partial extinction a great industry in this country for their complete prosperity. To put it more plainly, Is the cost of complete prosperity for the Cuban people going to be carried disastrously by the American farmer? Are we going to ruin the American farmer for the protection of the sugar producers in any country?

Let us see what the case is. To begin with, there is no other article, with the exception of rice, that has advanced so little from pre-war cost as has sugar. I have a number of items I will put in the RECORD. The prices on January 15, 1929, are compared with the prices in January, 1913. Take ham; it has advanced 114 per cent; leg of lamb, 122 per cent; rib roast, 90 per cent; cheese, 73 per cent; bacon, 69 per cent; coffee, 66 per cent; flour, 55 per cent; and so on down the line.

But what do we find about sugar? Sugar at the present time is only 16 per cent above the pre-war price of 1913. Now, if the price of sugar had advanced in the same proportion as other articles it would cost at the present time nearly 2 cents a pound more than it costs to-day.

The domestic-sugar producers are asking for an increase of 0.64 of a cent per pound on Cuban raw. The annual consumption of sugar amounts to about 100 pounds per capita. If the increased tariff was carried down to the consumer, which I am convinced it will not be, it would not cost at this time a family of five in its annual budget more than \$3.20. Those are the misleading figures that have been presented to us. Let us analyze them briefly. If we say that any increase in the sugar tariff is carried to the full extent to the consumer, that is not an accurate statement. For instance, it is estimated that about 50 per cent of the sugar consumed in the United States is used in manufactured products, which have an established price, irrespective of the cost of the sugar ingredient. Take candy as an illustration. Half a pound of sugar goes into the manufacture of a pound of candy that retails for from 60 cents to \$1.50 a pound. An increase of 0.64 of a cent a pound on the tariff if carried down to the manufacturers would mean an increase of about a third of a cent in the cost of a pound of candy. Is it likely that the candy manufacturers would add a third of a cent to the cost of a pound of standard candy being sold to the people of the United States? The same reasoning occurs with equal force with regard to ice cream, soft drinks, canned goods, and hundreds of other food commodities on which there is a staple price. Following the thought up to this point, it is apparent that on the basis of only 50 per cent of our sugar consumption, if there was any increase in the tariff as is now suggested, it would have practically no effect whatever. If the tariff on sugar is increased 0.64 of a cent a pound, it means an increase of only about 32 cents a person, or \$1.60 a year in a family of five, even if it worked out that way, as charged.

But I want to show you now something of the real history of the price of sugar under the different tariffs, to show you that it has not followed in this country that when there has been an increase in tariff there has been an increase in the cost of sugar to the consumer. It has sometimes increased a little, but more often it has decreased. In the long run, the exact history is that as we develop our own sugar industry, so that we have a sufficient amount coming into competition with the producers of sugar in other countries, we have a reduction in cost to the

consumer. Perhaps the most outstanding case of that kind would be the year 1920, which has been so often referred to. Take the date January 2, 1920. At that time of the year there was still in the market a considerable amount of domestic beet and cane sugar. The price started at 12.79 cents a pound. We go on until the 30th day of March, which is about the end of the period that our American sugar was coming into competition with the foreign sugar, and during that period of time the price had increased to 13.34 cents a pound. Then the domestic sugar supply was practically exhausted, and we were depending almost entirely upon exports from Cuba and other parts of the world, but principally from Cuba, and starting on the 1st of April we find that the price increased more and more rapidly until on the 19th of May the price had advanced to 23.57 cents in New York on Cuban raw sugar. At that time that high price began to bring into competition sugar from other parts of the world, and that competition begins to reflect itself on the price. Beginning with the 26th of May the price dropped from 23.57 down to 22.07, and the price goes on down until the 28th of September, one step after another, going down from 22.07 to 10 cents a pound, and it was there on the 18th of September. That is about the time the American domestic sugar began to come into the market again to add its competition, and the price began an even more rapid decrease as this sugar supply from our own farms and refineries came more and more into the market, until on the 31st of December the price of sugar had gone down to 5.32 cents. If we read fairly the history of sugar in this country we will find over a long period of years that the strength of competition of our own sugar has been to the advantage of the American consumer and not to his disadvantage.

The following table illustrates this in detail:

Effect of beet-sugar crop on New York price of Cuban raw sugar in 1920

	Net cash— cents per pound
1920	
Jan. 2	12.79
Jan. 5	12.34
Jan. 6	12.275
Jan. 7	12.92
Jan. 8	13.04
Jan. 23	13.00
Feb. 5	12.79
Feb. 7	12.54
Feb. 9	12.04
Feb. 16	11.03
Feb. 18	10.28
Feb. 24	10.16
Feb. 26	10.28
Mar. 2	11.29
Mar. 3	11.41
Mar. 4	11.54
Mar. 9	11.03
Mar. 12	11.29
Mar. 15	11.54
Mar. 17	11.79
Mar. 18	12.04
Mar. 19	12.54
Mar. 22	12.79
Mar. 27	13.04
Mar. 30	13.34
(Domestic beet-sugar crop exhausted.)	
Apr. 1	14.04
Apr. 3	14.79
Apr. 5	15.30
Apr. 8	16.55
Apr. 9	17.30
Apr. 10	17.43
Apr. 12	17.81
Apr. 13	18.31
Apr. 14	18.56
Apr. 15	19.06
Apr. 17	19.56
May 12	20.01
May 13	20.06
May 14	21.57
May 17	22.57
May 18	23.07
May 19	23.57
(Sugars from all over world becoming attracted to our market by high price of Cuban sugar, forcing down price.)	
May 26	22.07
May 27	20.56
June 3	20.31
June 4	20.01
June 7	20.06
June 16	19.56
June 23	18.51
June 28	18.26
June 29	18.31
July 9	18.56
July 15	18.31
July 19	18.06
July 20	17.55
July 21	16.55
July 27	16.30
Aug. 6	16.05
Aug. 9	15.26

¹ Domestic beet sugar competing with Cuban cane sugar.

	Net cash— cents per pound
1920	
Aug. 12	13.04
Aug. 19	12.04
Sept. 8	10.76
Sept. 13	10.78
Sept. 28	10.00
(Domestic beet-sugar competition resumed from new crop, further forcing down price.)	
Sept. 30	9.06
Oct. 1	9.00
Oct. 4	8.00
Oct. 6	8.00
Oct. 8	7.76
Oct. 13	8.00
Oct. 15	8.03
Oct. 18	8.76
Oct. 19	9.03
Oct. 20	8.78
Oct. 25	8.51
Oct. 26	8.26
Oct. 27	8.53
Oct. 29	8.26
Oct. 30	8.03
Nov. 5	7.52
Nov. 8	7.27
Nov. 10	7.02
Nov. 12	6.51
Nov. 16	6.52
Nov. 18	6.26
Nov. 19	6.14
Nov. 22	5.77
Dec. 7	5.51
Dec. 8	5.32
Dec. 9	5.27
Dec. 10	5.01
Dec. 13	4.76
Dec. 14	4.63
Dec. 18	5.01
Dec. 21	5.14
Dec. 22	5.38
Dec. 27	5.31
Dec. 31	5.32

Dates and figures from Willett & Gray's Weekly Statistical Sugar Trade Journal, January 13, 1921 (p. 23). Notations interpolated by author. Dates are given only when a change in price occurred.

I yield to the gentleman from Texas.

Mr. MANSFIELD. The gentleman gave us figures on the increase in the price of certain major food products. He stated the increase in the price of sugar had been less than any of them except rice.

Mr. LEAVITT. Yes.

Mr. MANSFIELD. I represent a rice district. Will the gentleman be kind enough to tell us what the figures are on rice?

Mr. LEAVITT. The increase in the price of rice has been 14 per cent over pre-war figures, and in sugar 16 per cent.

I want to place in the RECORD and at this time the history of the prices of sugar to the American consumer under the different tariff acts.

MCKINLEY ACT—FREE SUGAR

The McKinley Act of October 1, 1890, placed sugar on the free list. During the three full calendar years in which this act was in force the New York wholesale price of sugar was as follows: 1891, 4.641 cents per pound; 1892, 4.346 cents; 1893, 4.842 cents; average for three years, 4.61 cents.

WILSON BILL—40 PER CENT AD VALOREM

The Wilson bill of August 27, 1894, levied an ad valorem rate of 40 per cent on raw sugar. On a specific rate basis, the average duty during 1895 and 1896 amounted to approximately 1 cent per pound. With an increase of 1 cent per pound, the New York wholesale price of granulated for the two years in which the bill was in force was as follows: 1895, 4.152 cents; 1896, 4.532 cents; average, 4.32 cents.

Thus, with an increase of 1 cent per pound in the duty, the average price was 0.29 cents per pound lower than under the operation of the McKinley free-sugar bill.

DINGLEY ACT—1.685-CENT DUTY

The next change in the sugar tariff was under the Dingley bill of July 24, 1897, which levied a duty of 1.685 cents per pound on raw sugar, an increase of approximately 0.685 cent over the Wilson bill rates.

The New York wholesale price of refined during the five calendar years of the Dingley Act were as follows: 1898, 4.965 cents; 1899, 4.919 cents; 1900, 5.32 cents; 1901, 5.05 cents; 1902, 4.455 cents.

While there was a slight increase in the first three years of this period it must be remembered that the Spanish-American War had a considerable effect on all commodities, but it will be noted by 1902, when normalcy had again set in, the price had fallen to 4.45 cents, or about one-tenth of a cent less than it was during the last full year of the 40 per cent ad valorem

rate, and nearly four-tenths of a cent less than during the last year under free sugar.

CUBAN RECIPROCITY

The next change occurred under the Cuban reciprocity treaty of December 17, 1903, granting Cuba 20 per cent preferential in our import duty on sugar. As that country supplies us with practically all the foreign sugar we import, this reduced the effective rate from 1.685 cents to 1.348 cents per pound, a decrease of a little over one-third of a cent per pound.

Instead of this reduction being reflected in the price of refined, from a yearly average of 4.638 cents in 1903 the price rose to 4.772 cents in 1904 to 5.256 cents in 1905, and for the next seven years the average yearly price ranged from 4.649 cents to 5.345 cents, or about the same yearly average as had prevailed under the Dingley rate of 1.685 cents.

PAYNE-ALDRICH ACT OF 1909—5 CENTS A HUNDRED REDUCTION IN DUTY ON REFINED

The act of August 5, 1909, retained the same rates on raw sugar as the act of 1897, but reduced the duty on refined 5 cents a hundred. Comparing the full calendar year preceding the passage of this act with the full calendar year succeeding its passage, we find that in 1908 the average price of refined was 4.957 cents, while in 1910 it was 4.972 cents, an increase of 2 cents a hundred in the refined price, with a decrease in the duty on refined of 5 cents per hundred.

UNDERWOOD TARIFF ACT, 1913—1.0048 CENTS DUTY ON CUBAN RAWS

The Underwood Act of October 3, 1913, reduced the duty on sugar 25 per cent, effective March 1, 1914, making the duty on Cuban raws 1.0048 cents, as against 1.348 cents in the act of 1909. In 1913, due to an increase of over 2,500,000 tons in the world's supplies, the yearly average price of refined had dropped to 4.278 cents, and during the peak of production in Cuba, from January to October, 1914, the price had fallen to 3.92 cents, at which price refined was selling at the time the Underwood bill rates became effective (March 1, 1914).

During the months of March and April, when Cuban raws were being pressed for sale, the New York price of refined dropped to 3.675 cents, but during the month of May, 1914, the price began to rise, and at the beginning of the World War, in August, 1914, the price had again risen to 4.214 cents, or approximately the average price prevailing during the year previous to the passage of the Underwood bill, notwithstanding a decrease of about 34 cents a hundred in the tariff rate.

Under the emergency tariff act of March 7, 1921, the duty on Cuban raw sugar was increased from 1.0048 cents to 1.60 cents per pound. It is rather difficult to accurately trace the effect of this increase upon the wholesale price of sugar, because in 1920, upon the prospect of a shortage in the world's sugar crop, the price of Cuban raws had increased from 5½ cents to 23½ cents per pound, compelling the American housewife to pay from 30 to 35 cents a pound for this necessary food commodity. Then came the deflation in the sugar market, starting in the latter part of the year 1920 and extending into 1921, when Cuban raws sold as low as 1.81 cents per pound, cost and freight, New York. Under this abnormal condition no true analysis of the tariff can be made. However, the figures of Willett & Gray show that the yearly average New York price of granulated sugar during the calendar year 1921 was 6.207 cents, while in the year 1922, with a period of nearly nine months of operation of the emergency bill, the price dropped to 5.904 cents, an increase of 59 cents a hundred in the tariff and a drop of 30 cents a hundred in the wholesale price of sugar.

The next change in our sugar tariff was the passage of the Fordney-McCumber bill of September 22, 1922, which increased the duty sixteen one-hundredths of a cent per pound.

The year 1923 witnessed a large increase in the New York wholesale price of refined sugar, the yearly average being 8.441 cents, or an increase of approximately 2½ cents over the 1922 price; while in 1924 the average price was 7.471 cents, or an increase of 1½ cents per pound over the average of 1922. This large increase was due to economic and speculative causes. It is perfectly obvious that an increase of sixteen one-hundredths of a cent per pound in the import duty was not and could not be responsible for an increase of 2½ cents per pound in the wholesale price of refined. This is further apparent when we note that in 1925, with the same tariff rates still in effect, the average wholesale price dropped 2 cents a pound.

Coming now to the year 1928 we find that the average New York wholesale price of sugar was 5.540 cents per pound, which is about the pre-war price, while the average price of all food commodities during the same period has increased 57 per cent.

All of the above figures can be verified by Willett & Gray, of New York, who are considered the leading sugar statisticians in the United States. As a matter of fact, the sugar market,

not only in the United States but all over the world, is so sensitive to the slightest fluctuations in supply and demand that the import duty has little appreciable effect on the price to the ultimate consumer. Let a report be circulated of a prospective shortage of the sugar crop in Europe, Java, Cuba, or any other sugar-producing country and immediately the price of sugar goes up in practically every sugar-consuming country. The rise may be—and in most cases is—speculative, but, nevertheless, it is based on the law of supply and demand, which is the controlling factor in fixing the price of sugar, irrespective of a high or low tariff.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield there for a brief question?

Mr. LEAVITT. Yes.

Mr. BANKHEAD. As I understand the force of the gentleman's argument and the statistics he is quoting, it is to the advantage of the American consumer to have a high tariff on it?

Mr. LEAVITT. I will say that the increases of tariff on the sugar imported into this country have not been to the detriment of the consumer. It is true that for a short time there might be a slight increase in the price, but the general tendency has been down more than it has been up.

Mr. RANKIN. Mr. Chairman, will the gentleman yield there?

Mr. LEAVITT. Yes.

Mr. RANKIN. As I understand the gentleman's argument, sugar to-day is lower than it was before the war and before the protective tariff law was passed?

Mr. LEAVITT. Yes; in comparison to other foods. It has gone down during this tariff argument also.

Mr. RANKIN. Now, how do you expect to avoid raising the price of sugar by increasing the tariff?

Mr. LEAVITT. The gentleman asks me how that can have any influence in the way of competition?

Mr. RANKIN. Yes.

Mr. LEAVITT. I will carry that just a little bit farther. We have a fairly stable and somewhat increasing sugar industry, which has been brought somewhat to a halt in the last few years, but we have been able to maintain a very considerable production which goes out into competition. But everybody who knows anything about sugar knows that there is no commodity so sensitive with respect to conditions prevailing throughout the world, such as overproduction or fear of loss of crops, or whatever it may be, even manipulation, as sugar. Any act of any of the other great sugar-producing sections of the world will immediately reflect the condition in the price. I am not prepared to say that the wholesale prices have been fully stabilized by the tariff, but our experience has been that a duty has proven favorable to our consumers.

Mr. RANKIN. The greater portion of our sugar imported in this country comes from Cuba, does it not?

Mr. LEAVITT. We get only a fraction of 1 per cent outside of Cuba, Hawaii, and our island possessions. Hawaii is not a possession but a Territory.

Mr. RANKIN. I understand that, and Porto Rico is a possession. This tariff, then, is directed at Cuban sugar. Is it not a fact that the only competition we have is Cuba?

Mr. LEAVITT. It will affect Cuba more than anywhere else.

Mr. RANKIN. That is practically the only competition we have outside of the Philippines and Porto Rico and Hawaii.

Mr. LEAVITT. What is the gentleman's question?

Mr. RANKIN. Are we not directing this at Cuba?

Mr. LEAVITT. We are directing it at anything that makes it impossible for our own sugar producers to thrive. We are not directing it against anybody. We are directing it for the protection of our own farmers. Now, I can not yield further.

The CHAIRMAN. The time of the gentleman from Montana has expired.

Mr. LEAVITT. Will the gentleman from Oregon give me five minutes more to finish?

Mr. HAWLEY. I can give the gentleman two minutes.

Mr. LEAVITT. I can not finish in two minutes.

Mr. HAWLEY. I will give the gentleman five minutes.

The CHAIRMAN. The gentleman from Montana is recognized for five minutes more.

Mr. LEAVITT. The question of the value of the beet-sugar industry to our general agriculture in this country comes up. Remember that the sugar industry is not in any one part of the United States. It is scattered through some 19 States of the Union. In Montana, we have four sugar factories. We are cultivating about 45,000 acres of sugar land. That acreage could be increased and the number of factories increased to perhaps a dozen. And it is not only the production of sugar that must be taken into consideration. We have the best rotation crop in sugar beets that we have in any crop we can put into the soil. We must have a sufficient protection so that this industry, which

is the only stabilized farming industry in the United States, shall be maintained. A contract is entered into giving \$7 or \$7.50 as the minimum guaranteed to the farmer. He goes ahead in the production of sugar beets on that basis, and if the price increases on sugar, when the sugar goes up in the market and the sugar refiners receive a greater price, the farmer gets half of that increase. Thus, it is of the utmost importance to the farmer what price the manufacturer secures. If he can not get a sufficient guaranty and a sufficient average, he naturally goes into some other line of agriculture and raises things in competition with the products of other farms in this country.

No man who is a friend of the American farmer, and particularly the farmer of the Western and Northwestern States will oppose adequate tariff protection against foreign-grown sugar imported into the United States, for the sugar beet will do for agriculture in that part of the country especially, and for the eastern and northeastern sections of the country as well, what no other agency can accomplish. It will introduce the diversification of crops so badly needed, aid materially in restoring the fertility of the soils exhausted by too long dependence on the single-crop system and go hand in hand with dairying and stock feeding in establishing the balanced system of farming that we should have in order to maintain continuing prosperity.

One of the troubles with the farming industry is that we have been producing too much of certain commodities which depend upon foreign markets for their sale and we have been producing too little of certain other foods which the country has to import in large quantities. Of the latter, sugar is probably the most conspicuous example. Every year we expend hundreds of millions of dollars for sugar grown in foreign countries, mainly in Cuba, and this money goes to pay foreign labor, to purchase foreign merchandise, and to put money in the pockets of foreign cane growers and sugar manufacturers. And yet we have, in the East and the West, land enough to grow all this sugar, to turn this vast sum, through the increased purchasing power of our farmers, into the pay envelopes of American workers, payment for American goods, and at the same time to provide millions of dollars worth of by-products of the greatest value for stock feeding.

It has been found by actual experience that where sugar beets have been grown for a number of years in rotation with other crops, the yield of all these crops has been increased from 25 to 40 per cent. It is easy to understand why this is the case.

As every farmer knows, the cultivation of any hoed crop is good for the land. It keeps the soil stirred up, kills off weeds, and leaves the fields in condition to conserve moisture and to utilize whatever elements of fertility are present. Sugar beets not only require thorough cultivation but they are a deep-rooting crop, penetrating far into the soil and sending out lateral roots that are broken off and remain in the ground when the beet is pulled, allowing air to penetrate and adding valuable fertilizing elements for succeeding crops.

Moreover, sugar is simply a combination of air and water transformed in the wonderful laboratory maintained by the plant itself. When the sugar is extracted from the beet nothing is taken away from the fertility of the soil itself—only the wind that blows over the field and the water that falls upon it. If the tops of the beet plants, the pulp that remains after the sugar is extracted and the molasses that is the residue of the manufacturing processes are fed on the farm, the soil is not being robbed of a single element of fertility. This is why sugar-beet growing makes such a perfect combination with dairying and stock feeding, because all these by-products are wonderfully valuable feeds for cattle, and by feeding them to his own herds the farmer not only economizes on his feed bill but adds steadily to the fertility of his lands.

Every time a farmer sells a bushel of wheat he is selling nitrogen, part of the capital of his business, but when he is selling sugar beets and keeps the tops and pulp to feed to his livestock he is selling carbon, hydrogen, and oxygen, elements that are inexhaustible and cost him nothing. The fertility-bearing part of the crop he is putting back on the land, adding to his capital instead of depleting it.

There is another reason why sugar beets are a desirable crop for our Western States. One of the difficulties confronting the farmer is the high cost of transportation, of getting his crops to the market. When he has paid freight charges on a carload of bulky products there is little or nothing left. But sugar is manufactured into the finished products, one-eighth the weight of the beets, usually within hauling distance of the farm by team or truck, or at most requires only a short railroad haul. The manufactured product is of small bulk and can be shipped even to distant markets at a relatively low cost in proportion to its market value, thus eliminating the troublesome question of transportation charges.

The domestic sugar industry furnishes a remunerative cash paying crop to approximately 100,000 American farmers, and then there is a net profit coming to him in addition to that in the tops and pulp which make a foundation food for cattle and sheep. The industry gives employment to about 75,000 farm laborers. I wish I had the time to discuss that. Then there are other employees in the factories to the extent of about 35,000 people. From \$40,000,000 to \$60,000,000 is paid for beets alone. It produces a farm crop from soil valued at \$120,000,000, and the proceeds go to the American farmer and the American laborer. [Applause.] Then we have also the cane sugar industry of the South.

I will put into the RECORD an advance statement from the Manufacturers Record, released to-day, under date of May 16, attacking the position of this organization called the United States Sugar Association that attempts to speak for the American people when in reality it is an organization of Cuban importers.

Mr. Chairman, I ask unanimous consent to include in my remarks a quotation from the Manufacturers Record.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The quotation referred to follows:

It is true that Cuba can produce sugar in large quantities and at cheap rates, but it is more important to the farmers of the United States that the sugar-growing interests of Louisiana and Florida, and the beet-sugar interests of the West, should be largely developed than that we should continue to import so heavily as in former years from Cuba. The increase in the consumption of American farm products by home consumers, through the development of the sugar interests in this country, can be made so great as to offset any possible decline in the exportation of farm products to Cuba. The activities of the American Chamber of Commerce of Cuba possibly are justified from the viewpoint of Cuban propagandists and of the big financial interests in New York represented by heavy ownership in Cuban sugar lands and sugar mills, but the chamber presents arguments in behalf of Cuban sugar that do not merit any consideration on the part of Congress. It is not surprising that some of the big financial interests in New York, tremendously interested in Cuban sugar properties, should be fighting in behalf of Cuban sugar interests, in which they have millions invested, but there is another side to the case, and that is the development of an American sugar industry—cane and beet—which will enable this country largely to supply its own needs. It is more important to the American people from every viewpoint that the sugar-growing possibilities of Florida and Louisiana, and the beet-sugar interests of the West, should be developed for the good of the farmers themselves than it is that we should undertake to safeguard the interests of Cuba, where the rate of wages is on a starvation basis as compared with wages in America.

Mr. HAWLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Maine [Mr. BEEDY]. [Applause.]

Mr. BEEDY. Mr. Chairman and gentlemen of the committee, I would like to know where the Ways and Means Committee is. I do not see any member of the Ways and Means Committee on the House floor. Yes; now I see the gentleman from Colorado [Mr. TIMBERLAKE], the gentleman from Washington [Mr. HADLEY], the gentleman from Ohio [Mr. KEARNS], and the gentleman from New York [Mr. CROWTHER].

The Committee on Ways and Means informed the delegation from Maine that it wanted information on the competitive conditions in the potato market. The chairman of the committee made that request of me, and I wish he would take his seat before I speak. I have been in this House eight or nine years and thought I had accustomed myself to the atmosphere here, but every time we get ready to write a tariff bill I have a keener and keener perception of the spirit that beat in the breasts of the old Greeks when they knelt at the foot of Mount Olympus to pay homage to their gods. The relationship between the Ways and Means Committee and the membership of the House that exists here just now is something akin to that of king and subject. We have this consolation, however, all authority is transitory at best; and when the tariff bill now before us is written and passed, as we hope it will be, we shall again assume a more normal relationship on a common level.

At the outset let me say that Canada produced last year eighty-three million and odd bushels of potatoes and the year before about seventy-seven million and odd bushels. She consumes about 66,000,000 bushels per annum, so that she has every year a large surplus which she must dispose of. The potato acreage in the Maritime Provinces of Canada has increased since the writing of the last tariff bill in 1922 five times. It has multiplied ten times on Prince Edward Island.

To show you what the competitive situation in our potato market is, I cite you the events of this spring which are typical. I present this diagram and direct your attention to

it. This heavy black line represents the cost price of a barrel of potatoes at the loading point in Maine and the northeastern section of the country. The statistics are taken from the Agricultural Yearbook for 1927 and from the Bureau of Markets in the Department of Agriculture. This broken-dash line represents the price of a barrel of potatoes at the loading point in the northeastern market, 165 pounds to a barrel. This dotted line represents the importation in carload lots of potatoes from Canada into New England and the northeastern market. You will notice that the price of potatoes from October 1, 1928, to the 1st of April, 1929, averaged 80 cents a barrel. During that time 459 cars of Canadian potatoes came into our market, an average of about 2 cars a day. On the 1st of April you will notice that this broken-dash line begins to rise.

The price of potatoes began to go up until on the 13th day of last April the price to the farmer at the loading point was \$1 a barrel. From then until the 23d day of April the price gradually ascended until it reached \$1.50 a barrel. Then that price dropped in a few days to \$1.25. On the 30th of April the price reached \$2 a barrel, and there it held for two days. Then it began to drop. On the 3d of May it was \$1.75 per barrel, and that price held for three days. Thereupon the price dropped steadily, until it went to \$1 and remained there up to the 11th of this month. Those are the last available statistics. Note the dotted line. Two cars a day of Canadian potatoes came in as long as the price was 80 cents a barrel. A jump in the price to \$1 a barrel raised this broken-dash line until about five cars a day were dumped on the northeastern market. I call your attention to the fact that these cars are sold about two or three days before they are indexed on this diagram. This price index indicates the price when they cross the United States border. For instance, this dotted-line peak here is in response to this price of \$1.50 per barrel. It took two or three days to get the potatoes to the border. When the price began to jump from \$1.25 to \$2, note how this dotted line rises. It rose until there were 70 carloads a day of importation from Canada on May 4. From April 26 the price went up from \$1.40, to be exact, to \$2 on April 30. On May 3 it began to drop and reached a price of \$1 per barrel on May 11. In that 18-day period 508 cars of those Canadian potatoes were dumped on the American market, 28 cars a day. What was the result? The American market broke.

Now, when the price got up to \$2 it was still under this heavy black line [indicating], the production cost line of \$2.04 per barrel. The farmers in my section have not been able to sell a single barrel of the last crop of potatoes for what it cost to produce them. They were losing 4 cents a barrel for the two days the price was at the peak.

At that point the Canadians did this spring what they always do. They had held their potatoes, except what they had sold to meet immediate necessities, and when the price reached what they thought was the peak they shipped into the northeastern markets of Boston and New York 70 carloads of potatoes in one day. That broke the price of \$2 per barrel and our farmers lost their only chance of breaking even on their 1928 crop.

You will notice that for a few days the importations began to drop off with the price, but when it became evident that there was to be no price rebound, Canadian importations again increased and continued in ruinous volume. The situation then obtained that always obtains in the late spring. The Canadian producer must sell. Price is not the controlling factor. They must dispose of their crop at any price, and cost of production does not count. This forces the American producer to sell at any price, and they all ship to market together. This constitutes a species of suicide, but our Maine potato growers are powerless to save themselves. Such is the competitive situation that actually exists.

There has been a duty of 50 cents per hundredweight on potatoes since 1922. Back in 1890, when the McKinley bill was framed, they gave us a specific duty of 25 cents a bushel. Translated into terms of duty per hundredweight they gave us 41 cents a hundredweight on potatoes, and at that time it was costing our farmers \$1 a barrel to produce them. The same rate was carried in the Dingley tariff bill in 1894. Since then 35 years have elapsed and it now costs \$2.04 to raise a barrel of potatoes in northeastern United States, an increase in the cost of production of over 100 per cent. To meet that increased cost of production we have had an increase in 35 years of the tariff duty from 41 cents a hundred to 50 cents a hundred, or about a 20 per cent increase in the tariff, a Republican protective tariff, to meet an increased cost in production of over 100 per cent.

This duty on potatoes of 50 cents per hundredweight which is carried in the present bill is a pretty fair instance not of a Republican protective tariff but of a Democratic competitive tariff. We do not want a competitive tariff on potatoes. We

want the Republican Committee on Ways and Means to write a Republican tariff schedule on potatoes for us. We believe that only under a Republican protective tariff can the American market be saved to the American potato grower.

Now, we have asked, and we ought to have, a duty of 1 cent a pound or \$1 a hundred on potatoes. We could not expect to make money, even with that tariff, but it would be a great help to us. We are told we can not expect to get any such protection, and so we offer to compromise. We have asked our Ways and Means Committee to give us 75 cents a hundred specific duty, with not less than 50 per cent ad valorem.

I want to call the attention of you southern men, from Virginia, Florida, Texas, and North and South Carolina, to what this means.

Of course, you understand that this ad valorem duty would not become operative until the sale price of a barrel of potatoes was just twice the amount of the tariff duty. The present tariff duty figures out 82 cents a barrel, and we have asked for an increase which would bring that duty up to \$1.23 per barrel. When, therefore, potatoes get to be \$2.46 a barrel, the ad valorem duty would come into play. I understand that in the Southern States to which I have referred you market your potato crop in the spring and fall for \$5 a barrel or more. You can do better with them than we can, but you are open to the danger of importations from Cuba and Mexico. However, if you had this ad valorem duty they could not break your market at any time to less than \$2.46 a barrel.

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. BEEDY. Would the gentleman from Texas yield me some time? I am talking to his section of the country now.

Mr. GARNER. This side is somewhat pressed for time, but since the gentleman is making a talk for agriculture [applause] and presenting what seems to me to be a meritorious case I am going to yield the gentleman five minutes, and in doing so I want to ask him a question. If this were a manufacturing industry in Massachusetts or in New York or in Pennsylvania, does not the gentleman think that if he had made the showing which he has here he would not only get the 75-cent duty but would get the entire 100 cents and a 50 per cent ad valorem?

Mr. BEEDY. I certainly hope so.

Mr. GARNER. But does not the gentleman believe from observation that if this were a manufacturing industry, rather than a farm proposition, the Republican members of the Ways and Means would have given him this rate?

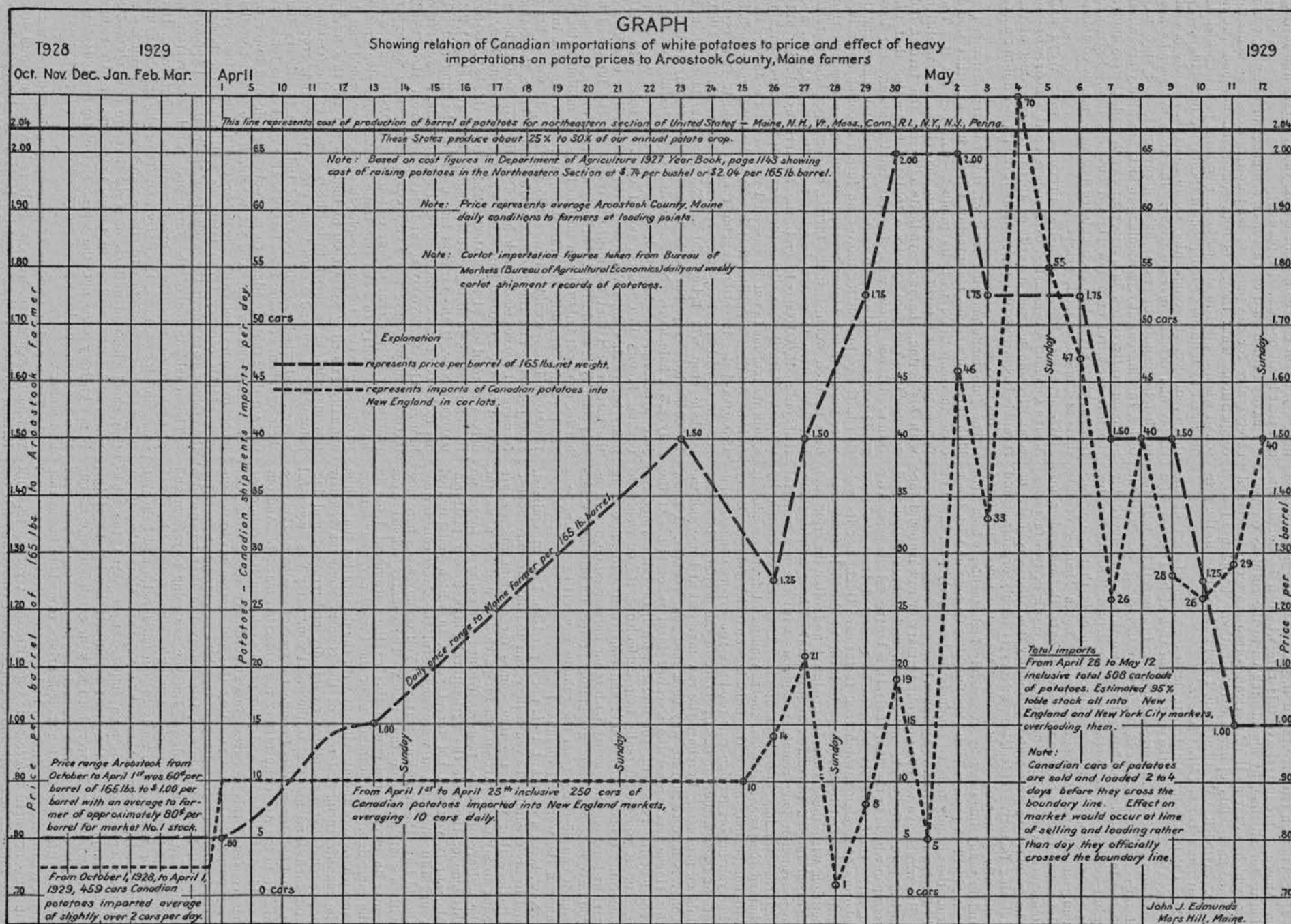
Mr. BEEDY. Well, my observation is that the manufacturing industry has always been pretty well taken care of by the tariff [applause], and my experience is that now, when I represent the farmers, it is somewhat difficult to secure for them the measure of protection we desire and they need.

I want now to show you what your danger in the South is under the present duty on potatoes. The bill as reported increases the duty on onions and tomatoes and eggplant and nearly all vegetables in the natural raw state. Such vegetables are the products of cheap labor in Mexico, they are the products of cheap labor in Bermuda and in Cuba. In so far as the increased duties on the vegetables, to which I referred, will be effective in closing the door to imports from the countries named, to that extent, with no increased duty on potatoes, you invite the agriculturalists of Mexico, Bermuda, and Cuba to increase their potato acreage. Unless we who represent all the various sections of the country can cooperate to secure an increase in the tariff on potatoes, we are going to find not only the eastern markets but the southern markets flooded with cheap potatoes in the years to come.

I am espousing no local issue. It is true that the tariff in many instances is a local issue. But the inadequately protected American potato is a nation-wide issue.

The moment the price of potatoes breaks in the New York and Boston markets, that moment, says an eminent authority, ex-Secretary Jardine, with whom we consulted this morning, that moment the market on potatoes in Chicago is depressed. That affects adversely the potato growers of the Dakotas, of Michigan, and other States in the West. We are asking the Ways and Means Committee to meet our demands for an increased duty on potatoes, not in behalf of a section, but on an agricultural product which everybody uses, which is grown in 42 States in the Union, and in behalf of nation-wide agricultural interests.

Now I want to close right here by saying that if a protective tariff be an effective factor in preserving and saving a local market for American products, let this Republican Committee on Ways and Means justify by their acts our lifelong faith and belief in the philosophy and efficacy of a protective tariff. [Applause.]



If it is not an effective factor in preserving the home market for American products leave this rate where it is and disillusion us for all time, by abandoning us to the ruthless competition, which, so far as the American potato grower is concerned, will accomplish his ultimate extermination. [Applause.]

Mr. GARNER. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. Cross].

Mr. CROSS. Mr. Chairman, ladies and gentlemen of the House, though I sit on the east side of this aisle, I believe in a tariff for all of our factories that come in competition with the cheaply produced products of foreign factories. For without such a tariff sooner or later one of two things must inevitably result—either our factories would be driven into bankruptcy or the wages of our laborers lowered to meet that of our foreign competitors. And surely there is not a Member of this House who does not agree with me in that. But remember, my colleagues, every finished product is the result of two factories. The primary or raw-material factory and the secondary or finishing factory. This latter factory is highly organized and politically powerful. This factory we have amply protected and in many instances by excessively high tariffs, which acts as a shield to protect both this finishing factory and its labor from the cheaply finished products and meagerly paid labor of its foreign competitor. [Applause.]

But what have we done for our primary or raw-material factories, politically weak, unorganized, and unorganizable, and yet upon which, in the final analysis, is buttressed the prosperity of all? Ought not its laborers be protected from the peon laborers of foreign raw-material factories? Ought not its welfare be guarded by an adequate tariff to shield it from competition with these cheaply produced and often inferior and diseased foreign raw-material products? These finishing factories can not long remain prosperous with the raw-material factories sinking into bankruptcy. They are economically chained together, and when the raw-material factories sink it will not be long before the finishing factories follow. Every time you import foreign raw products you export domestic dollars and lessen the purchasing power of the people to buy your finished products. Purchase the raw material at home and the money is here to find its way back into your pockets. I know this House has passed the so-called farm relief bill. At the behest of the President, you and I, with little faith, voted for it. But if you would really help agriculture, if you would do something economically sound and constructive to place it in part at least on an equality with other industries, do unto it as you have done unto them, adequately protect its products, whenever it can be done, from the ruinous competition of the peon labor of the world. [Applause.]

Now, being a debutant, I am not a partisan, I am an optimist, and in my credulity I even believe you Republicans are honest. I believe that when the time comes for amendments we are going to lay aside partisanship for patriotism and act alone for the welfare of all the people. We are not going to forget on this side of the aisle the agricultural plank in our platform. And surely you will not forget yours, in which you plighted your faith that if you were successful the American farmer should have the American market. You occupy seats here now with a mandate to do that thing. The country echoed from center to circumference with this as the paramount issue in the campaign. Your candidate for the Presidency, your orators everywhere kept the air vibrant with the declaration that while the manufacturing interests of the country were marvelously prosperous that agriculture was badly embarrassed and lagging far behind, and that in the event your party was successful it would call through its President a special session of Congress to give to the American farmer the American market. And our President, true to his and your promise during that campaign, has convened this Congress in extraordinary session for that very purpose. I grant you that this bill, gotten up by a subcommittee composed entirely of members of your party from the Ways and Means Committee, is a betrayal of that trust and a repudiation of your pledges. But you are going to reform and regenerate this bill, you are not going to stand for this betrayal, and we on this side are ready to join hands with and help you. Your leaders, your members on the Ways and Means Committee, in their credulity have been imposed upon. And the slick-tongued emissaries of the great manufacturing barons of this country whom Mr. Hoover, both as your candidate and as our President, declared to be marvelously prosperous when your subcommittee were holding their hearings, came here in swarms, and exchanging their tuxedos and swagger sticks for rags and tin cups appeared before your committee that got up this bill in the rôle of bankrupts and beggars. Your committee fell for their tale of woe, and blinded by their false pity for them, the farmer was unable to make out his case. But you will not be

duped, you will be true to your trusts, you will give him justice, and that is all he asks. [Applause.]

I have heard it said on this floor a number of times that the safety valve for the public to hold down prices was domestic competition. That theory is both sound and unsound. It is sound when applied to any major agricultural product which is produced by millions of independent incohesive individuals. In that event domestic competition would function and the law of supply and demand operate freely. But it is not sound when applied to manufacturers of finished products. For such factories, turning out any particular product, are highly organized and comparatively few in number, and each such factory under the direct control of a few shrewd business men. Excessive tariffs, when applied to such finished products, means combinations and unconscionable prices.

Whenever the distinguished chairman of your Ways and Means Committee was asked by Members on this floor why the committee did not put a tariff on this or that product of the farm his incontrovertible reply was that the farmer did not make out his case.

The jute manufacturing trust of this country demanded a high tariff on articles manufactured from jute and that would come in competition with its product—and they got it. The farmer plead for a tariff on raw jute that comes in competition with his cotton, the jute syndicate objected, the farmer did not get it. The jute syndicate told the committee that the farmer did not know what he was talking about, that low-grade cotton would cost 15 cents per pound and that in addition to the cotton costing more than jute, the cotton operatives were paid a much higher wage than jute operatives and that as a result it would cost the farmer 80 cents per bale more to bale his cotton in cotton bagging than in jute bagging, and that on a 15,000,000-bale crop the farmers would lose \$12,000,000. With the committee that settled it the jute or bagging syndicate had made out its case and visa versa the farmer had failed. And yet assuming that it cost \$12,000,000 more to bale 15,000,000 bales in cotton bagging than it would in jute, every student of cotton prices, every economist, knows that a 14,000,000-bale crop will bring \$30 or \$35 per bale more than a 15,000,000-bale crop, but to be ultraconservative, say it brings only \$25 a bale more. Now, according to the testimony of the jute syndicate, the low-grade cotton would cost the cotton-bagging factory 15 cents per pound, or \$75 a bale. The testimony before this same Ways and Means Committee established the further fact that to substitute cotton for the jute used in this country it would require at least a million and a half bales, but let us say it only takes a million bales. A million bales, at \$75 per bale, amounts to \$75,000,000, and since the remaining 14,000,000 bales would advance \$25 per bale, it would bring \$100 per bale, and the 14,000,000 bales would bring the cotton farmers \$1,400,000,000, which, added to the \$75,000,000 he received for the 1,000,000 bales that was made into jute bagging, makes a total of \$1,475,000,000. Take from this \$12,000,000, the extra costs in using cotton bagging, and we have \$1,463,000,000. Now, if the farmers had used jute bagging and sold his 15,000,000 bales on the market at \$75 per bale, it would have brought him \$1,125,000,000, and take this from the \$1,463,000,000 and you have left \$338,000,000. And since we export practically 60 per cent of our cotton, \$202,800,000 would come into this country to swell our trade balance and give greater purchasing power to our people; besides, they would not be annually exporting \$85,000,000 to India to pay for this foreign raw material, as is shown to be the case now by the testimony before the Ways and Means Committee. We exclude from our shores, and wisely so, the people of India, on the theory that their standard of living is so low, working as they do for a few cents a day, that to admit them would degrade and lower the standard of our living. And yet we admit the product of that labor in competition with the labor that produces the cotton crop of this country. You might as well admit the laborers themselves as to admit the products of their labor. [Applause.]

The rehabilitation of the farm and ranch, the restoration of agriculture, must, in a great measure, come through livestock and its products, the dairy and its products, poultry and its products. Populate with these your farms and ranches as they should be, and millions of acres that are now planted to wheat and cotton will go in forage crops and greatly reduce, if not entirely wipe out, the wheat and cotton surpluses, and then the corn surplus will be converted into beef, pork, mutton, and poultry.

As Texas and a number of western grazing States, not so very many years ago, were, so is Brazil, Argentina, and other foreign livestock-raising countries to-day. A picture of Texas then is a picture of those countries now. Vast areas of rich grazing lands, over which great herds of livestock roamed and

fattened, tended by a few \$25 per month cowboys, with slickers and blankets and a supply of hard-tack strapped to their saddles, and those saddles on cheap, grass-fed ponies. There were practically no courts, no officials, no churches, no schools, no highways, no taxes, and no freight, as the cattle were driven to Kansas City and other markets over the trail. Under such conditions men made fortunes selling prime 3 and 4 year old steers, weighing from 1,200 to 1,500 pounds, for \$12 to \$15 per head. Such is the condition in some of the South American countries to-day. But in Texas and other Western States a marvelous change has taken place. Civilization's magic wand of progress has been waved, and much land that once could have been had for the asking to-day can not be had for less than \$125 to \$250 per acre. The free ranges are gone and the plow and the barbed-wire fences are everywhere. Civilization, with its railroads, its colleges and schools, its churches, and concrete highways, has brought its burden of high taxes and high freights, while the tariff on the products of the finishing factories has greatly added to the high cost of living. Unless our products are protected from competition with those of such countries as I have described, bankruptcy "must follow as the night the day."

The testimony before the Ways and Means Committee established the fact that it cost our producers to deliver a prime steer on the market from \$11.50 to \$12.50 per hundredweight, while other testimony before the same committee established the fact that prime steers have been selling in Argentina from \$3.50 to \$4 per hundredweight, or \$8.50 less per hundredweight than it cost to produce and deliver it to the market in this country.

And in like manner does the whole record before the Ways and Means Committee demonstrate what must not only inevitably happen to these branches of our livestock industry but to all others, including our pork, dairy, and poultry as well. And yet the success of these industries would prove the golden key with which to unlock the gate that leads from the 1-crop idea of despair into diversified fields of prosperous plenty. These finishing-factory interests who are here opposing an adequate tariff to protect the products of our raw-material producers, while demanding a higher tariff on their already highly protected finished products, are actuated not by a farsighted patriotism but by a nearsighted selfishness of present gain.

The statements and briefs before the Ways and Means Committee established the further fact that in this country to produce, dress, and prepare mutton ready for distribution to the retail markets costs 28½ cents per pound, while mutton from foreign countries can be landed in our ports ready for distribution to the retail merchants for 20 cents per pound, or a difference in favor of the foreign product of 8½ cents per pound.

There was imported into this country in 1927 more than 19,000,000 pounds of poultry products and more than 186,000,000 pounds of dairy products. The importation from Canada alone of cream, in terms of butter, increased from 3,725,000 pounds in 1919 to 21,496,000 pounds in 1927.

In competition with cheap foreign production the beef-cattle population of this country declined from 37,500,000 head in 1900 to 23,373,000 head in 1928, a decrease in 28 years of nearly 40 per cent, the direct result of prices below the cost of production, while during the same period the human population of this country increased from 75,994,000 to 120,555,000, or more than 58 per cent. There is now being imported into this country annually something in excess of \$723,000,000 worth of animals and animal products.

In 1926 there were imported in excess of 293,000,000 pounds of hides, or about one-third of our entire consumption, and as a result the price of hides reached a point in this country where it did not pay to have a dead carcass on ranch or farm skinned. And while it is true that hides are now bringing a fair price as a result of the embargo placed upon South American livestock by the Secretary of Agriculture on the 1st day of January, 1927, to save this country from the ravages of the foot-and-mouth disease; yet let that embargo be removed, which the Secretary of Agriculture in good conscience must sooner or later do, and the price of hides will drop until they will again remain on dead carcasses on farm and ranch untouched.

Remove it and there is to the south of us, according to the evidence before the Ways and Means Committee, 100,000,000 head of cattle ready to glut our markets and to throw back into bankruptcy the livestock raisers, who recently, inspired by better prices, are to-day restocking our farms and ranches. Admit this cheaply produced South American livestock and you destroy the best asset this country has. You destroy the farmers' chance to diversify and through livestock to bring back fertility to our impoverished lands. Admit it and you break the magic wand which alone can solve the nightmare problem of surplus crops.

The surplus products of a country when analyzed reveals not only the folly of the people in impoverishing themselves but in so doing they are guilty of robbing posterity of the fertility of the soil for the benefit of foreign nations. Napoleon never uttered a truer statement than "that an army fights on its stomach." Annually we are spending hundreds of millions of dollars to keep a great army fit and trim to defend ourselves in the event of war. But should war come, should certain great powers now smouldering with envy, jealousy, and hate declare war, and with their combined fleets overnight blockade our shores, with farms and ranches devoid of food products, that army would prove helpless and our country would be forced to surrender beneath the flag of starvation. He who lets the means whereby his country lives be destroyed lets his country be destroyed. [Applause.]

Cattle is the major competitor in all meat products, and their prices rise and fall with that of cattle, and when you permit these hordes of cheaply produced South American cattle to pour into this country free, which \$1.50 to \$2 a hundredweight practically means, not only will the price of our cattle drop far below the cost of production but so, too, will that of all other food-producing livestock, irrespective of the amount of tariff you may place on them. And this proposed hold-up measure before this House, not satisfied with driving into bankruptcy every cattleman in the country, and still further impoverish every little farmer who has a few head of cattle, proceed to lay a tariff of \$6 per hundredweight on slaughtered or dressed beef and by this method to high-jack the consumers of this country out of untold millions and turn it over to the great purse crowd, syndicated packeries of the country. And this a farm relief Congress!

We were told by the President that industry was marvelously prosperous, but that agriculture was embarrassed and lagging far behind, and that you should revise the tariff in his behalf. What have you done; what does this measure do? It turns him over to the special interests to be plucked and peeled to their hearts' content. The President asked you to give him bread and you propose to give him a stone. You came here to represent the people; they placed their faith and trust in you. Are you going to betray them?

But ocht, mankind is unco' weak and little to be trusted, If "selfish interest" the wavering balance shake, it's rarely rightly adjusted.

But no; you are not going to fail your people. You are going to be true to your trust. Duty is the sublimest word in the English language, and you are going to measure up to your duty, and in voting on this measure you are going to "let all the ends you aim at be your country's, your God's, and truth's." [Applause.]

Mr. GARNER. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. Yon].

Mr. YON. Mr. Chairman, ladies and gentlemen of the committee, I have worked hard to get increases in schedule 6 of the present law, but I was in for a disappointment, and so I will direct most of my remarks to this particular schedule, that of tobacco, because it is one in which I am very greatly interested, and, too, my time is so short that I will not have time to discuss general tariff policy as this bill proposes.

This seems to me a bill which does not please anybody. I heard the chairman of the committee the other day express somewhat of an apology in making the opening remarks on it. Other members of the committee on the majority side have made excuses for the bill, and the minority, of course, as to be expected, condemns it. I do not remember a measure ever reported to this body where everybody was so displeased as with this one.

I do not know of anyone that was more disappointed in its provisions than I was after the hard work I had done, as well as that of friends and those interested in producing a farm product. We went before the committee and asked for an increase, but the committee has not given it to us. In 1921, when Congress passed the emergency tariff law, they granted to the shade-grown tobacco growers a protection of \$2.35 on tobacco, but in 1922 Congress reduced that amount to \$2.10. I do not know what the reasons were unless it was because it was an agricultural product and you were not interested in what the ultimate result would be to this class of agriculture in America.

My friends, there is in this something that means the carrying on of about \$17,000,000 or \$18,000,000 worth of investment, where several thousand men, women, and children are employed. In 1922 Congress did not see the result of competition by a foreign-owned syndicate. They did not see the competition they would bring to the shade-grown tobacco growers of this country. Do you believe, as Republican members of the com-

mittee and especially of the Ways and Means Committee, that you would stand for a competition almost equal to that you produce in America? Do you believe you would permit such competition without the barriers of tariff rates? No. Do you think you would not ask for tariff rates that would make it impossible for such competition to be brought against a home-made product? Do you believe that the Members who represent districts which are somewhat subservient to the will of the steel, aluminum, glass, and textile trusts would stand for a competition which permits nearly a 50 per cent competition in their line to be imported without barriers of tariff provision so high as to cut out that competition?

Members of the committee, you should treat us fairly. I had hoped you would report a bill that I could vote for. I came to Washington in answer to the call for tariff revision for agriculture. I came here to answer the call for farm relief.

Now, a number have talked about competition in potatoes. You should give protection not only to potatoes but to fruits and vegetables, as well as many other things produced by those people who get up early in the morning and go out and toll through the day and when they come home tired at night they know not what the return of their labor will be.

We are producing about 11,000,000 pounds of shade-grown tobacco in the Connecticut Valley, Georgia, and Florida and importing 6,000,000 from the island of Sumatra, and of the 11,000,000 pounds that we are producing there is from 10 per cent to 40 per cent unfit for wrappers on cigars, and after deducting that percentage you have reduced down to around 8,000,000 pounds of American shade-grown wrappers, in comparison with an importation of 6,000,000 pounds, and thereby almost dividing equally the consumption of wrapper tobacco. This is why a protective duty will be effective. Make the rate high enough to make it protective. That is what you Republicans believe in a tariff for.

There is a class of cigars called class A, and a lot of the manufacturers of that grade use Florida and Connecticut wrappers, but there is a foreign-owned syndicate that is importing tobacco through the port of New York that wants to supply the cigar makers and put out of business the people who are producing this type of tobacco in this country.

My friends, they have even gone out to Ohio, Pennsylvania, and Wisconsin and poisoned the minds of the binder and filler people to the extent of saying, "If you will help us reduce the duty on this foreign-made wrapper tobacco, then we will buy more of your tobacco."

I wish I had here for an illustration before the Members of the House a cigar wrapped each with a Connecticut wrapper and a cigar wrapped with a Florida wrapper and a cigar wrapped with a Sumatra wrapper, and not one out of a dozen men in this House would know the difference as to which wrapped cigar they were smoking nor what the difference in flavor would be.

Do you think that if you were to cut off the importation of Sumatra tobacco you would stop the making of cigars? No; you would not. Americans are smoking cigars and there would be just as much binder and filler tobacco grown and used in this country as if they were importing and using nothing but Sumatra wrapper.

Mr. COX. Will the gentleman yield?

Mr. YON. I yield to the gentleman.

Mr. COX. The gentleman has given a good deal of study to this subject, I know, and has valuable information. I was wondering what rate, in his judgment, would give reasonable protection and at the same time would not injuriously affect the quality or the price of the cigar that now retails, say, for 5 cents.

Mr. YON. The present rate on Sumatra tobacco permits the importation of a great quantity, which they sell as low as \$2.40 a pound, and this is sold directly in competition with the cheaper and the medium grades of Florida and Connecticut wrapper, and it takes up a great deal of the material they are using for wrapper on 5-cent cigars.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. GARNER. Mr. Chairman, I yield the gentleman from Florida five additional minutes.

Mr. YON. If we could get another \$1 on the \$2.10 we now have, it would be a great help.

Mr. COX. Something has been said upon the floor to the effect that the tobacco that you have particular reference to is inferior in quality to the Sumatra tobacco that is imported.

Mr. YON. No; I do not say it is inferior and will not permit such an impression to go in the Record, for I can not get to that conclusion.

Mr. COX. I understand, but the statement has been made upon the floor here that it is not as good. What was the evidence before the committee on that particular point?

Mr. YON. That is in the hearings.

Mr. COX. Did not the evidence sustain the contention that the domestic tobacco is superior in quality?

Mr. YON. Yes. And it is used on high-priced cigars the same as the Sumatra, but the big field is the 5-cent cigar. Now I want to call your attention to some of the conclusions that the committee has come to that are erroneous.

In the first place they wanted to question some of my witnesses. For instance, there was the claim made that there was too much of a discrepancy between the price paid for labor in 1914 and what was paid in 1928.

On our tobacco farms, if he is a 1-horse farmer, he has 4 or 5 acres of shade and some sun tobacco. If he plants 10 acres or more he has to have considerable hired help besides the help in his own family. This help is furnished with a house to live in and a little garden patch so that he makes a great deal of the things that he eats in his home, and before 1914 and up to that time they did not have to pay more than from 50 cents to a dollar a day, which was a good wage. Now, a dollar and a half generally is the wage for a man on a farm and it does not go as far as 75 cents or a dollar did in 1914, and then they did not have to overcome many of the things that they have now.

One member of the committee made an issue of the fact that if our fields have become infected with blackshank then we ought to go out of the business. I may tell you folks that we are overcoming this trouble to a great extent, but, of course, it has cost the planters a great deal of money; but they are planted in this work and it is hard for them to pull up and leave it. It is just like some of you fellows would hate to break up your home and see it pass out of existence.

The importers have done everything to defeat us even to misrepresent the binder and filler growers before the Ways and Means Committee. To show you, I have a wire here which I received this morning from a constituent of mine who was in Wisconsin this spring getting evidence as to how the people of Wisconsin feel about this tariff increase, and this telegram I will read to the committee, so as to show you that the evidence produced by one Mr. Ela as to what he purported to be the wishes of binder and filler growers toward this schedule was not warranted. The telegram reads as follows:

MAY 16, 1929.

HON. THOMAS A. YON,

Congressman, Washington, D. C.:

My personal experience in Wisconsin on tobacco tariff was that the tobacco growers that I talked to were all in favor of a raise in tariff. They did not give anyone the authority to speak for lower tariff on tobacco, and they said they did not want lower tariff.

A. E. WATSON.

I hope that the committee will make it possible in bringing in a rule that will give an opportunity to offer to amend this one particular schedule.

Before closing I will add that even though your bill has been drawn up to aid fruits, vegetables, and other products—that is, Florida produced—you have disappointed me not only in Schedule 6 but also by retaining pine tar, pitch, and turpentine on the free list. Pine tar particularly should be considered again and placed on at least a 2-cent per pound duty basis. [Applause.]

Mr. HAWLEY. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. SEGER].

Mr. SEGER. Mr. Chairman and members of the committee, I want, first, to compliment the leader on the Democratic side [Mr. GARNER] on having on that side a new spellbinder in the place of the gentleman from Texas, Mr. CONNALLY, who went to the Senate.

It is axiomatic in the writing of a tariff bill that the framers can not please everybody. This bill does not establish a precedent by breaking down this axiom. It is my opinion that the committee, faced with a most difficult task, did well. The members of the committee deserve the thanks of the House. They have a right to ask that our criticism be constructive.

By the title of this bill we seek "to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes."

The gentleman from Oklahoma in his remarks last week expressed fears for the constitutionality of the bill because the preamble carries the words "to protect American labor." I am not a constitutional lawyer, but I know that any tariff bill to be helpful must be framed so as to protect American labor, whether the words appear in the preamble or not.

It was recognized in the last campaign that the textile industry of our country was one of the two or three major industries in sore distress. The President emphasized this in his address at Boston, and I wish to emphasize here that if any industry needs encouragement it is the textile, and if any element of American labor needs protection it is that element employed in our textile mills.

My discussion to-day will deal chiefly with the woolen and worsted end of the textile industry, inasmuch as it is one of the outstanding industries in the district I represent.

Representatives of our woolen mills came before the committee in its hearings and described how these mills are yielding to foreign competition from countries where the wage and living standards are vastly inferior to our own and how the employment of American textile labor is decreasing. These mills did not ask enormous tariff increases; they asked for a square deal in the change from foreign valuations as a dutiable basis in their schedule to American valuations.

These representatives asked the committee to do for them what it did for the chemical and dye industry in 1922.

American valuations is not new in our tariff discussions. The system was favored by the House in 1922, but rejected by the Senate. The chemical and dye industry, in which the system is properly retained in the present bill, admits its very existence was saved through its operation. The Commissioner of Customs of the United States told the committee in its hearings that the system had worked well in this industry.

While admitting that "the abandonment of foreign value as a basis of assessment of ad valorem duties is now the subject of considerable discussion," Mr. Mills, Undersecretary of the Treasury, in his testimony, said that it was a question of policy strictly up to the Congress to determine on a change or not. Representatives of labor and agriculture stressed before the committee the advantages of American valuation, and President Hoover, in his first message to the Congress, indicated he was most receptive to an improvement over the present system of foreign valuations.

I am sorry that the committee did not give favorable consideration to American valuations. I believe there is sentiment for it in the committee, and I feel certain that there is a strong growing sentiment for it in this House. The more I study it the more I look upon it as an inevitable thing. Briefly, its advantages will be in the elimination of unintentional or intentional undervaluation, the elimination of discrimination—in cents per yard or per pound—in favor of the low standard-of-living country, and the duty will be calculable and checkable within our own country because all the facts upon which valuation bases are predicated are available here. The committee in its own report states—and I quote verbatim:

Foreign nations are discouraging our customs agents from obtaining information on costs of production abroad and some prohibit such agents from making necessary investigations.

The result, then, in the preparatory work toward the making up of this very bill, the committee to a considerable extent has had to rely upon reports made up by the agents from trade journals and papers in foreign lands.

Let me tell you the story of a worsted mill in my district.

Forty years ago, after the McKinley Tariff Act, a group of men representing the best minds in the wool and worsted industry in the Old World came from Leipzig, Germany, to my home city of Passaic, then a village of about 11,000 inhabitants, and organized the Botany Worsted Mills.

These founders acquired about 40 acres of land, since increased to 80, and erected thereon a modern plant for the spinning, weaving, dyeing, and finishing of wool and worsted cloth, employing at times as many as 8,000 persons. This concern now finds itself confronted with a situation which may mean not only the curtailment of its activities but the partial abandonment of its plant unless the tariff is so adjusted that they can successfully compete with goods, "similar to or competitive with," manufactured in countries where living standards are lower than those of the United States.

Out of this original plant of the Botany Mills there have sprung other plants, located in Passaic and its environs, also employing many thousands. These mills face the same problems I discuss to-day. In fact, two have been forced out of business during the last 18 months. Passaic is now a city of 75,000 and the center of an industrial community of 125,000, whose future depends on the success of these industries.

The woolen mills of our country must meet the competition of England, Germany, France, Italy, Austria, Czechoslovakia, and Japan, in all of which the wage scales and the living standards are lower than our own. The President has well summarized the situation in his Boston address. Let me quote from this address:

That our American textile industry and its workers need solid protection is clearly demonstrated by a comparison of wages, and it must be remembered that our most severe competition from abroad always comes in those types of cloths in which the element of labor represents the chief item of cost. A woolen and worsted weaver in the United States earns an average of 65 cents an hour, in Great Britain 30 cents, in Germany 20 cents, in France 13 cents, and in Italy 8 cents an hour. * * * The American protective tariff is the only insurance to our 600,000 families who earn their livelihood in the cotton and woolen manufacturing industries against the wages prevalent abroad and the conditions and standards of living which necessarily result from them.

In spite of this difference in wages in these countries the skill and productivity of the workmen, we find, are nearly the same, due chiefly to like mechanical means employed in the processes. So it can be seen that a tariff even in excess of that now allowed, based on foreign valuations, is not only unfair to the American manufacturer but increases the profit of the manufacturers in the country where the wage scale and standard of living are lowest, while the duty collected by the United States from such country is less in cents per yard or pound. From this it follows that the importer will buy from that country where the duty charged—based on foreign valuations as of to-day—is less, owing to the conditions mentioned.

In illustration of the discrimination in favor of the low-standard-of-living country when foreign value is the basis for levying ad valorem duties, let us take a light worsted fabric produced in all countries mentioned and compare the total duty on foreign value base with the same when calculated on American value base.

	United States	England	Germany	France and Italy	Czechoslovakia	Japan
A.—ON FOREIGN VALUE BASE						
Wool costs per pound of fabric.....	2.00	1.55	1.55	1.55	1.55	1.55
Manufacturing costs.....	3.00	1.50	1.30	1.00	.75	.45
Foreign value.....		3.05	2.85	2.55	2.30	2.00
Duty—Ad valorem of 50 per cent of foreign value.....		1.52½	1.42½	1.27½	1.15	1.00
Compensatory on wool (specific duty to woolgrowers).....		4.57½	4.27½	3.82½	3.45	3.00
Transportation expenses and profit.....	5.00	5.02½	4.72½	4.27½	3.90	3.45
American selling price.....	.50	.47½	.77½	1.22½	1.60	2.05
Total duty on foreign value base.....	5.50	5.50	5.50	5.50	5.50	5.50
		1.97½	1.87½	1.72½	1.60	1.45
B.—ON AMERICAN VALUE BASE						
American selling price.....	5.50	5.50	5.50	5.50	5.50	5.50
Duty—Compensation on wool.....		.45	.45	.45	.45	.45
Ad valorem at 28 per cent of American value.....		5.05	5.05	5.05	5.05	5.05
Transportation expenses and profit.....		1.54	1.54	1.54	1.54	1.54
Cost (foreign value).....		3.51	3.51	3.51	3.51	3.51
Total duty on American value base.....	.50	.46	.66	.96	1.21	1.51
	5.00	3.05	2.85	2.55	2.30	2.00
		1.99	1.99	1.99	1.99	1.99

¹ 50 per cent of foreign value plus specific duty on wool, 45 cents.

The schedule shows that Japan has a decided advantage over Czechoslovakia, as Czechoslovakia has over Germany, as Germany has over England. All, of course, have the advantage over our own country.

Besides this unfair competition resulting from foreign valuations, there is the attitude mentioned before which results in undervaluation, sometimes unintentional and sometimes fraudulent. The difficulty in verifying the foreign value of yarns and cloth imported to our country is admitted; and, after all, why should foreign manufacturers throw open the books and reveal their cost methods to our agents or producers?

The Passaic Daily Herald of May 12, commenting editorially on this situation, deplores the fact that the woolen and worsted industry has not been protected by the committee writing American valuations into the bill. After pointing out how goods made in some suburb of Prague can be dumped on the American market greatly under the tariff designed to give protection, the Herald says:

American valuation would guard against this possibility and put all foreign competition on an equal footing in seeking the American

market. When we in the Passaic district have so many thousands of operatives in the woolen and worsted business dependent upon the success of that industry for their livelihood it's something to think about. Then the tariff takes on a bread-and-butter and ham-and-eggs significance.

More expressive than elegant (CROWTHER).

That labor in our textile mills is studying this situation, is worried about it, and wants something done that will be a remedy, that will be a guaranty of steady employment and fair wages, is shown by a letter prepared by the men making up the Botany Foremen's Association and sent recently to the Secretary of Labor. These men say:

We find it difficult to understand the opposition to the elimination of what we consider to be lying valuation. We can not understand how you can reconcile the same rate against the varying conditions. A yard of goods which may be made in England and costs, say, \$1, will have a rate applied against that cost. The same article made in Germany may cost 90 cents and your tariff rate will in your foreign valuations be applied against that 90 cents. The same article made in Czechoslovakia will probably cost 45 cents and your tariff is applied against that valuation. The result is a 10-cent differential against England as to Germany, 55 cents differential against England as to Czechoslovakia, with a 45-cent differential against Germany on the same basis, to say nothing about the differential against us, which means we don't work.

There is no insurmountable barrier to bringing about a change to American valuations, nor would we establish a precedent by so doing. In the chemical and dye industry, when it was at low ebb, the Government, desirous of having this all-important and key industry concentrate on the manufacture of chemicals for war purposes, had placed an embargo on this product. In the 1922 tariff act, as before stated, we placed the dyestuff industry on American valuations, although the American manufacturers now produce only about 600 coal-tar products and the Germans 1,300. The duty on nearly all of the seven hundred and odd foreign articles for which there is no American "like or similar" is levied on the American valuation basis by calculation. The courts have upheld the language of paragraph 28, Schedule 1, of the act of 1922, reading:

For the purposes of this paragraph any coal-tar product provided for in this act shall be considered similar to or competitive with any imported coal-tar product which accomplishes results substantially equal to those accomplished by the domestic product when used in substantially the same manner.

The same help that was needed to reestablish the chemical and dye industry in 1922 is needed now to reestablish the wool and worsted industry. The same language used to place chemicals and dyestuffs on American valuations as a dutiable basis can be developed to place the woolen industry on such basis.

It has been said that it would take an interminable length of time to change all the schedules to American valuations. Perhaps other industries do not need such immediately; but having been done for one industry floundering near the rocks in 1922, why can not it be done for another in like distress to-day?

After all is said, is not every difficulty and disadvantage imaginable under American valuations present to a greater extent under foreign valuations?

It will be said, perhaps, in answer to this plea for American valuations in the woolen and worsted industry that the flexible provision of the bill permits the President, after an investigation and report by the Tariff Commission, to change to this valuation. I have faith in the President and his willingness to assume the responsibility under such provision. My answer is that protection is needed now. An investigation by the commission will take some time, and there are many obstacles to such investigations, some of which I have pointed out.

Let me restate what I said at the outset: The title of this bill indicates we mean to protect American labor. This means labor in the forest, on the farm, and in the factory; and the best way to insure this protection of labor from unfair foreign competition from countries where the standards of living are lower than our own is to fix the tariff schedules on American valuations as a dutiable basis. [Applause.]

The objections to American valuation in 1922 do not obtain now, (1) because we have learned a lot about how to make American valuation work from the experience with chemicals and dyestuffs, and (2) because the woolen-worsted industry has organized its costs, and so forth, in its Wool Institute formed more than a year ago.

Every imported fabric can be matched with some fabric of American manufacture for duty-valuation purposes.

Mr. GARNER. Mr. Chairman, I yield 30 minutes to the gentleman from Arkansas [Mr. GLOVER].

Mr. GLOVER. Mr. Chairman, ladies, and gentlemen of the House, to say that I am very much disappointed in the present bill introduced, purporting to be a bill for the relief of agriculture, is putting the statement in a very mild way.

I came to this Congress pledged for the support of agricultural relief as far as the same could be given by a legislative act, and I shall carry out that pledge to the very best of my ability.

I do not see how any fair-minded, intelligent man can take this bill and give it a careful study as a whole, and show any benefit to the people engaged in agriculture.

The principle of legislation should always be the greatest good to the greatest number.

Careful reading of the Democratic platform, and of the Republican platform, would lead anyone to believe that it was not the intention of either party to write a new tariff bill out in full, but to make such changes in the tariff as would be of benefit to the agricultural producers.

The present bill not only takes into consideration every schedule of the 1922 tariff act, containing more than 1,000 items, but also adds many more to that list. Out of something like 1,000 changes in the tariff schedule, there are not over 100 schedules that have any relation or bearing to agricultural products produced by the farmer.

It has been estimated by some careful calculators that this bill, when all of the raises in the tariff are effective, will increase the cost of living to the people of the United States more than \$900,000,000 per year. There is about one-third of the population of the United States engaged in agriculture and horticulture. They are consumers as well as producers, and must pay their proportional part of this increase in living, which, if the estimate is correct, and it will not be less than that, but, in my mind, will be much greater, then the agricultural people alone would bear one-third of \$900,000,000, or \$300,000,000, and the farmer would be hurt by this bill more than he would be helped.

If the Republican Party is really sincere and wants to carry out the pledge to the people of the United States to give farm relief, why did they not single out the basic commodities of agriculture that are affected by the importation of like production from another country and legislate on those for the benefit of the farmers and lower the whole list of tariff schedules heretofore enacted, and which has been so high that the farmer could not prosper when he was forced to go into the market and buy the things he was forced to buy at the high price that the tariff mentioned has caused them to pay for it?

There are several tariff schedules in this bill on agriculture that ought to be adopted. There are some that ought to be changed and adopted, and which would be materially helpful to the farmer if it stopped there, and some new schedules ought to be added.

If you enact a piece of legislation that will put a dollar into the pocket of the farmer on one side and take out ten on the other, you have not helped him, but hurt him, and that is what this tariff bill will do for him.

I want to take up a few of the schedules in this bill to show that the bill is not in the interest of the masses, but is intended to protect those that are already protected to the detriment of the people as a whole.

Take the schedule on chemicals and paints. Under this tariff act paints will be materially increased in price and the farmer, instead of being a manufacturer of paint, is a user of it. Then when you raise the price of that commodity how can you say in this bill, truthfully, that you are helping the farmer?

The farmer is not a maker of cement, but a user of it. The tariff in this bill increases the price per barrel of cement to the amount of 30.4 per barrel. Then every farmer who builds a house, or anyone else as to that matter, must pay tribute to the manufacturer of cement by reason of this bill. Every builder who has any experience in the use of this commodity knows very well that it is now one of the most expensive commodities with which one has to build and which is used more, possibly, than any other one thing.

Then you come to the farmer and tell him you are fulfilling the Republican pledge to help him when you are making that which he has to use more expensive to him.

Go next to the glassware schedule. The farmer is not a maker of glass, but is a user of it. You have increased the price of that to him which will hurt him instead of helping him. The tariff increase on glass will be nearly \$1,000,000.

The same argument with reference to earthenware is true. It is increased by this tariff bill about 10 per cent, which, instead of helping the farmer hurts him.

If the Republican Party really wanted to help the farmer when it came to schedule 3 on the metals and manufacture of metals of wire and steel and others, instead of retaining the high protective tariff that you now have on pig iron and iron kentledge, at \$1.12½ per ton, why did you not lower it, if you really wanted to help the farmer?

If you were sincere and really wanted to help the farmer in this bill by amending the tariff, why did not you reduce the tariff on fencing? Why did not you, instead of raising the price on woven wire, lower that? And hundreds of other things of like kind where you could have really helped him had you been sincere in wanting to?

Why did not you change schedule paragraph 329, affecting chains commonly used by farmers for trace chains and like kind of chains? And, instead of retaining the high tariff of seven-eighths of 1 per cent as it is now, put those on the free list where he could have been materially helped?

Why did you retain the high tariff provided in paragraph 339 on table, household, and kitchen necessities which are taxed under this bill with a high tariff of 65 per cent ad valorem?

This bill does not even permit the farmer to go down to the creek that runs through his farm to fish without paying tribute to the manufacturer of iron and steel. In paragraph 344 you have a 45 per cent ad valorem tax on fish hooks, rods, and reels. If you want to do him a little act of kindness, where he could have at least that much pleasure and recreation without paying tax for it, why did not you put that on the free list?

This bill under the pretext of helping the farmer in paragraph 351 on pens and pen points raises the tariff 25 per cent. How can this be in the interest of the farmer and be brought in to a farm bill under the pretext of helping him, when in fact it hurts him?

How can you explain to the farmers that in raising surgical instruments from 45 to 70 per cent ad valorem, it is going to help him in agriculture?

Paragraph 336 of this bill is certainly intended as a panacea of all the ills of the farmer. It raises the tariff on pistols from \$1.25 to \$2 each. What relation a tariff on pistols could have to farming is something the farmers are going to have a hard time reasoning out. He is prevented under the law from carrying one, from buying one, or selling one, and yet you are going to help him by regulating the tariff on it.

You have in this bill a high tariff on horseshoes and mule shoes, and it costs a man about two times as much to shoe a horse or mule now than it did 10 years ago.

If you really wanted to help the farmer why did you not reduce the tariff on the farm necessities? Why did you retain a 20 per cent ad valorem on crosscut saws that the farmer has to use if you really had any intention of helping him?

We would like to have you explain how you expect to help the farmers by raising the price of umbrella ribs and stretchers from 50 to 60 per cent ad valorem?

Why do you retain under paragraph 343 a tariff tax of \$1.15 per thousand and a 40 per cent ad valorem tax on needles for knitting, sewing, and embroidering, all of which is used by the farmer? How can you harmonize that the raising of the price on these things is going to help the farmer?

The increase in the tariff in this bill raises the price of sugar to the users in the United States \$240,000,000 per year. The farmers of the United States being required to use sugar in preserving their products for home and marketing, will pay more than one-third of this high tariff and will cost them not less than \$80,000,000 per year. Applying the principle of the greatest good to the greatest number in legislation, how can you harmonize this raise with the principle just stated?

Not one of the farmers in my district of 12 counties produces sugar, yet there is not a family in the whole district but what is a user of it; then they must help to pay the price of this expensive legislation.

The reason set forth in the report of the committee accompanying the tariff act, in my opinion, in no respect justifies this raise. It is argued that the domestic industries can not survive under the present price of sugar.

The financial data submitted to the committee for their assistance showed overwhelmingly that the Hawaiian and Porto Rican industries are making an inordinate profit. The Great Western Sugar Co., which produces 50 per cent of all the beet sugar, earned 44 per cent on its common stock last year as shown by the records. Possibly the trouble between the raiser of the beets for sugar could be very easily discovered by taking into consideration the profits that are being made by the Great Western Sugar Co.

In order to aid a few weak mills that produce less than 8 per cent of our sugar, this bill seeks to increase the price of the 12,000,000,000 pounds of sugar used. Why should all the people

of the United States be penalized by the high price of sugar in order to help the sugar industries in Colorado that we are told own 16 mills in one congressional district of that State? We are told that this company recently offered on the market 22,400 shares of its stock, and possibly due to this bill they will sell high.

If this bill should pass in its present form, certainly they would have a good market for the sale of their shares.

There are some provisions in this bill that are all right. The schedule on dairying will help to encourage that industry. It does not go to the extent that it should. The tariff on corn is raised from 15 to 25 cents per bushel and may help keep out the importation of the corn and thus help the corn raisers of the United States in a small degree. Then you bring in tapioca free and hurt corn more than you help it.

The tariff on wheat is raised from 30 to 42 cents; it does not change the present tariff as it had been raised by the President under the flexible rule provided by the 1922 tariff act giving the President the power to raise or lower tariff.

The tariff on peanuts being raised from 3 to 4½ per cent will encourage that industry.

The tariff on peas, beans, and onions being raised from one-half of 1 cent to 3 cents per pound, will prevent the importation of a great deal of that into this country. There is no reason why such vegetables produced as peas, beans, turnips, and potatoes should be imported into this country when we have the land that will produce them in greater quantities than will ever be used by the people of the United States.

The schedule of tariff on rice corrects an error that was made in the tariff bill of 1922 and slightly raises the tariff on that commodity, which is right. The tariff bill of 1922 on rice left out some definitions of terms that became very essential in dealing with this commodity. For instance, all tariff bills prior to the 1922 act had a definition in them as to what constituted broken rice. It was left out of the act of 1922, and broken rice has been imported into this country practically duty free as broken rice, when it contained 90 per cent whole-grain rice, and has been exceedingly hurtful to the rice growers of the United States. I am glad that the committee saw fit to change that, and the provision with reference to rice is satisfactory to the rice growers, so far as I am informed.

I believe that Schedule 8 should be covered by one declaration only, and that is that no spirits, wines, and other beverages should be imported into this country on any tariff rate or duty free, but should be prohibited when it contains more than one-half of 1 per cent alcohol and a high tariff on all drinks under that. In other words, that the importation of it to this country should be prohibited altogether.

When we read the eighteenth amendment to the Constitution of the United States and the Volstead Act and the Jones Act and then read this tariff mentioned under Schedule 8 it is exceedingly hard to harmonize what you mean by this bill in reference to that.

I am strong for the eighteenth amendment to the Constitution of the United States. I wish it was like the law of the Medes and the Persians—that it could not be changed at all, and I hope it never will be.

We prohibit, under the Constitution and laws of the United States, anyone to manufacture, sell, possess, or transport intoxicating beverages, and why is it necessary in this agriculture bill to aid the farmers, in the face of the Constitution and law of the United States, to reenact a schedule of tariff rates on spirits, wines, and other beverages? Let us stop the importation of it altogether.

Section 802 provides for a tariff on brandy and other spirits manufactured or distilled from grain of \$5 per proof gallon. Paragraph 803 provides for a tariff on sparkling wines of \$6 per gallon and goes on down the line from paragraphs 808 to 814 defining the tariff that is to be charged on the importation of these liquors into the United States. If the Republican Party is sincere in wanting prohibition, let us write one section covering Schedule 8 and see that further importations of any of the commodities mentioned in paragraphs 801 to 814 are absolutely prohibited from being shipped into the United States either duty free or on tariff.

This tariff bill absolutely ignores one of the greatest money crops known to the agricultural people of the United States and one of the principal money crops for the farmer of the United States, and that is cotton.

We are importing into the United States now about 250,000 bales of cotton annually of long staple that comes in duty free. Several of the Southern States are to-day growing long-staple cotton, as fine as can be produced in the world, and why should this great industry of ours in the United States have no protection against another country growing long-staple cotton

with cheap labor and under conditions altogether different from ours and bringing it in duty free?

When the people of the South who grow most of the cotton of the world ask for relief to this commodity of agriculture by the debenture plan or other plans that might be suggested, we are not permitted to give the relief they want and are entitled to have.

The growers of this great product of raw material are denied any help under this bill, yet when it comes to the question of manufacturing it into the various things into which it is made the manufacturer is protected with a high protective tariff, and higher than ever before.

Also, the manufacturer of wool and woollen goods is protected with the higher protected tariff. The southern farmer that grows the cotton is not permitted to fix the price at which it shall sell nor is he permitted to fix a price on what he has to buy.

Under the existing conditions now, before a seed of cotton is planted into the ground, the gambler in futures has already sold his crop for a fixed price and so manipulates the markets that the farmer has nothing to do with saying what it should sell for and nothing to say about the price he has to pay when he buys it back manufactured.

If this Congress wants to do something real for the farmers they should take up the bill that I introduced here on the second day of this Congress (H. R. 715) prohibiting the gambling in futures on cotton or grain and pass it without a dissenting vote.

A remarkable speech was made here a few days ago on the floor of this House by the gentleman from Mississippi [Mr. RANKIN] that should convince every man and woman in Congress that the gambling in futures is inherently wrong and ought to be prohibited by a drastic statute.

I am in favor of passing a law to make it a felony to gamble in futures and forever stop it. I am hopeful that the farm bill passed by this Congress will in a large measure help to correct that wrong by stabilizing prices. It is only when they can cause a fluctuation in the market that they are able to practice their nefarious business successfully.

The trouble is, with the farmer, that his dollar has but little purchasing power. The high wall of protective tariff that we have been living under since 1922 and prior to that time has increased the price of the manufactured commodity that he has to buy and raised the price to that extent that when he sells his crop he can purchase very little on a high market with what he has received from his crop.

If you are sincere and want to help the farmer why do not you help the Democrats on this side of the House to tear down that high wall of protection that you have around the commodity he has to buy and then increase the selling price of that which he raises and by that means put him on the basis of equality with other business of the country?

Agriculture is the biggest business that is carried on in the United States and all it lacks of being a success is being given a fair chance as it should have.

One of the things that has hurt the southern farmer more than anything else is the high and excessive freight and express rates that he has been forced to submit to. A very forcible argument was made here on the floor of this House a few days ago in which the statement was made that if the hungry were properly fed and the world as a whole were properly clothed we would have no surplus at all.

The trouble has been that the farmer in the South, after he raised his crop, could not get that crop into the market at a rate that would justify the shipment.

The Interstate Commerce Commission has fixed a rate for all commodities on interstate freight so high on agriculture products that the shipping of them in the markets is practically prohibited. I want to see those rates cut at least one-half, and that done speedily. If this Congress would turn its attention to that and pass a measure of that kind for the relief of the farmers it would do him more good in quicker time than anything that can be done for him by legislation. Why not do it?

The present tariff bill under section 1614 puts a 90 per cent tax on dolls and dolls' clothes. What relation to the farmer dolls and dolls' clothes has is something I can not understand.

Under section 1517 you raise the tariff on matches that the farmer has to use in making a fire from 8 to 11 cents per gross. You raise the tariff on hats, caps, and bonnets to about 15 per cent more than they were.

I have gone over carefully the list of raises you have made on articles that already bore an excessive tariff, and several hundred of them have been raised to the point that is prohibitive and will raise the price of the commodity in the United States that the farmer has to buy from 10 to 50 per cent higher than he is having to pay for the same to-day.

The Republican Party, after having put the high and excessive tariff on all the commodities named above, answer that by saying, "We have helped the farmer by putting many things on the free list." Let us examine for a moment the things that are put on a free list and see what they are.

Some of them are as follows: Aconite, aloes, asafetida, buchu leaves, ipecac, jalap, licorice root, manna, marshmallow, leaves, and flowers.

Arrowroot; arsenic; waste bagging; broken bells; borax; burgundy pitch; corkwood or cork bark; eggs of birds; fish and insects; fish skins, raw or salted; whetstones; hoofs and horns of cattle and other animals; ice; iodine; old junk; moss and seaweeds; nux vomica; Paris green; pigeons; saltpeter; quinine; sugar-beet seed; skeletons for anatomy; spunk; teeth, natural or unmanufactured; turtles; whalebone; palm-leaf fans; and tobacco stems.

The most vicious part of this bill is the administration feature put into it. You are, in this bill, providing it with a provision that will prevent you from ever hereafter having to amend a tariff bill. All the special interest will have to do is to each presidential-election year elect a man to the Presidency that stands for a high tariff and let him raise it to the satisfaction of those desiring it and to the detriment of the great masses of the people of the United States. This is the most dangerous power that was ever given to any one man that undertakes to rule a democratic republic.

The flexible tariff provision that was put into the act of 1922 was the beginning of this. To justify the insertion of it in that bill it was claimed that it was necessary to adjust the tariff after the Great War. If Congress continues in this, of continually giving and ceding away its power to legislate into the hands of one individual, nothing but chaos and ruin can be expected in this Government.

We had a fair example of what may be expected in the future in the case of the raise or increase of duty on pig iron by President Coolidge, which raised the tariff 50 per cent and which adds approximately \$30,000,000 annually to the Steel and Iron Trusts. A large per cent of this increase of burden is borne by the agricultural people, because in the nature of their business they use many tools and implements made of iron and steel. Under the present provision the President of the United States could raise that 50 per cent more, at his will.

Another vicious provision of this bill is giving the power and authority to fix values upon which tariff duties are assessed to the Secretary of the Treasury. The authority to determine the value of imports on which duty is assessed is lodged by law with the United States Custom Court. This bill would take this power from the courts and give it to the already powerful office of the Secretary of the Treasury. This power is the equivalent of giving the Secretary of the Treasury the power to fix rates. This power ought not to be delegated by Congress to the Secretary of the Treasury or any other person.

It is a self-evident truth that power to tax is the power to destroy. If this power is given to the Secretary of the Treasury and President, they could make or break any corporation now existing or any hereafter existing in the United States, or any other person.

The American consumer would be at their mercy, with no appeal or redress in the court. This would be a surrender of a taxing power that is given by the Constitution to Congress, the body that is responsible to the people. For any branch of the Government to ask such power is nothing more nor less than seeking the right to encroach on the constitutional power of Congress, and after once surrendered it would be difficult to ever recover it.

It would afford an opportunity for enormous graft and corruption and a pitfall into which many men would find themselves finally.

We frequently heard from this floor during the argument of the farm bill that it had been carefully examined by Mr. Hoover and he thoroughly indorsed the bill. We have heard very little said, if anything, on the floor of this House as to whether or not the President of the United States indorses this measure. Evidently he does, because no protest has been made to Congress to this date by him against its passage.

Will those now, who are close to the President, tell us if he stands for the provisions of this bill as it is written and introduced into this Congress?

The building up of the high wall of tariff around the things that the people of the United States have to buy will limit the amount of these things they are permitted to buy, and the time is not very far distant when the manufacturer of these commodities, with the high walls built around them, will be left in the lurch with the goods on their hands that they can not sell because the users of them and those that need them can

buy no more than the money they received from their products will permit them to buy.

Not only that, other nations are now patterning after the United States with their high protective tariff bills, and the time will soon come when an embargo will be put on by a number of the foreign countries against us.

Just prior to the time of assuming the duties of President of the United States, the President elect, and now President, made a tour into South America with the hope of opening up new trade relations with these countries. I hope we may be successful in this and find a market for every surplus crop that we are now growing or may hereafter grow in the United States.

To establish these relations we must be fair and just. Foreign nations when they go to buy are like individuals; they ordinarily patronize those they are most friendly to. If two merchants are living in your town and you like one of them and dislike the other, you will naturally trade with the one you like. So, if we hold our foreign trade and increase it, we should be just to other nations as well as to ourselves.

The Democratic Party has always stood for equal justice to all and special privileges to none. You have a great Republican majority here of more than 100 Members; it lies within your power to give special privileges to a few, to the detriment of the poor who can not protect themselves. You can establish this principle of equal justice to all if you will. We, as Democrats, on this side of the House stand ready to join with you in that kind of a measure, of giving equal justice to all and special privileges to none. Are you willing to do this, or will you still continue to serve your master by making the rich richer and the poor poorer?

This bill you have introduced is in accordance, in a large measure, with the beggar's prayer, when he prayed, "Lord bless the rich so the poor can beg."

Will the Republican Party in charge of this bill explain to the House and to the public why it is that when the present tariff duty on sugar under the tariff bill of 1922 passed by them placed the tariff on sugar at 2.206 cents per pound and then appointed a United States Tariff Commission for the purpose of advising as to the necessity of the change in the tariff refused to follow the recommendation of this Tariff Commission when it had recommended that the tariff on sugar should be reduced from 2.206 per pound to 1.54 cents per pound and which the Tariff Commission insists would provide ample protection to the domestic industries? In view of this, it would be interesting to know how the Ways and Means Committee of Congress arrived at the conclusion that the full duty price on sugar should be advanced to 3 cents per pound.

That the particular sugar interests need no additional protection is best evidenced by the annual report recently issued by one of the largest companies, making 48 per cent of all the sugar, showing 171 per cent increase in earnings over the previous year on its common stock equivalent to \$11.22 per share on each \$25 par value share.

The tariff bill now proposed, in paragraph 402 proposes an ad valorem duty of 15 per cent on birch and maple lumber coming into the United States from Canada. The United States, and the South especially, ships large quantities of hardwood lumber into Canada, and we feel quite sure if this duty is placed on Canadian lumber it will mean that Canada will put a duty on our lumber going in there and thereby work very much of a hardship on the manufacturer of hardwood lumber in this country.

This bill takes care of the railroads, telephone and telegraph companies, by permitting them to bring in on the free list railroad ties, telephone and telegraph poles, and then putting a high tariff of a dollar per thousand on logs. In the first instance the product is used by a corporation, and in the last instance the logs are cut into shingles and a high tariff put on shingles, which makes them almost prohibitive for use, which the farmer uses principally, and this is given under the guise of helping the farmer in his farm troubles.

The farmers of the South, through their Representatives, have come before the Ways and Means Committee, and their Representatives have stood on the floor of this House and pleaded for some protection for the greatest agricultural people in the world, the cotton growers, and asking that they be protected by this bill, but they have been absolutely denied anything at all.

With a fair degree of protection the South could develop all the long-staple cotton that is needed now or will ever be needed and used in manufacturing. With all the cotton raised in the United States, comprising at least 60 per cent of all the cotton raised in the world, we imported into this country last year 172,037,105 pounds of cotton, equal to 344,000 bales of 500

pounds each, at a value of \$42,797,000. Of this importation, 89,231,492 pounds came from Egypt, 28,304,970 pounds from China, 13,619,753 pounds from British India. Even Mexico sent us 22,168,784 pounds last year.

If you are sincere in wanting to protect agriculture, why do you not give these people some relief when they stand and plead for it as earnestly as any other class that is to-day in need of help?

You refuse him every demand that he makes for aid; then you turn to the schedule of the manufactured products from his cotton and you raise every commodity with a higher tariff than has ever been on it before. Why should conditions of this kind prevail?

There is no common sense or reason in it. The farmer when he sells his cotton buys back in goods for his family a great deal of the manufactured products of cotton. You refuse to protect him in what he sells and yet you protect the other fellow who has manufactured it so as to harm the farmer more instead of helping him.

You have even raised the price of rakes and hoes and pitchforks, and every other commodity that the farmer is directly interested in, so he will pay more for it in the future than he has in the past.

If you would strike out about 950 sections of this bill and pass the remainder of it referring to agriculture, as both the parties in their platform pledged they would enact legislation in favor of the farmer to put him on a parity with other business, then you would accomplish something with this bill intended to be in the interest of the farmers, instead of hurting him as you will do if you pass this bill in its present form.

I hope the bill will not pass in the form it is introduced before the House, and you will so amend it as to carry out your pledge to help the farmer and not injure him, as you are going to do if this bill is passed as it is now. [Applause.]

Mr. HAWLEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MAPES, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 2661) to readjust the tariff and had come to no resolution thereon.

SENDING H. R. 1, THE FARM RELIEF BILL, TO CONFERENCE

Mr. SNELL, from the Committee on Rules, reported the following resolution, for a conference with the Senate on the bill (H. R. 1) to establish a Federal farm board to promote the effective merchandising of agricultural commodities in interstate and foreign commerce, and to place agriculture on a basis of economic equality with other industries, for printing in the RECORD, which was reported by the Clerk, referred to the House Calendar, and ordered to be printed:

House Resolution 45

Whereas in the opinion of the House there is a question as to whether or not section 10 of the amendment of the Senate to House bill 1 contravenes the first clause of section 7 of Article I of the Constitution of the United States, and is an infringement on the rights and privileges of this House, but in view of the present legislative situation and the desire of this House to speedily pass legislation affording relief to agriculture, and with the distinct understanding that the action of the House in this instance shall not be deemed to be a precedent so far as the constitutional prerogatives of the House are concerned: Now, therefore, be it

Resolved, That upon the adoption of this resolution it shall be in order to move to take from the Speaker's table the bill H. R. 1, with a Senate amendment, disagree to the Senate amendment, and agree to conference asked by the Senate, and that the Speaker shall immediately appoint conferees.

Mr. GARNER. Mr. Speaker, may I ask the gentleman from New York when he expects to call up that resolution?

Mr. SNELL. Immediately after the reading of the Journal to-morrow.

Mr. GARNER. And how long will we take in the consideration of the resolution?

Mr. SNELL. We do not expect that it will take very long, not much more than half an hour.

Mr. GARNER. The reason I asked the question is that a number of gentlemen want to know about what time they will be able to discuss the pending tariff bill. I told them I did not know how long it would take in the consideration of this rule.

Mr. SNELL. It depends upon how much the Democrats help us in passing the resolution. If they are prompt and let us pass it quickly, it will take only a few minutes. We will try to accommodate them and pass it as quickly as possible.

Mr. GARNER. Then the gentleman expects that there will be an hour's debate, I suppose?

Mr. SNELL. Not to exceed that.

FARM RELIEF AND TARIFF

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by placing therein certain resolutions of the Kansas Council of Agriculture, held at Topeka, Kans., last Monday.

The SPEAKER. Is there objection?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include a list of the men meeting in Topeka, Monday, May 13, representing the Kansas Agricultural Council, together with the resolution they adopted:

Ralph Snyder, of Manhattan, president of the State farm bureau; C. E. Huff, of Salina, State and national president of the Farmers' Union; C. E. Brasted, of Salina, secretary of the Farmers' Union; J. C. Foltz, of Wakarusa, member of the board of the State grange; E. G. Tharp, of Protection, president of the Cooperative Commission Co.; O. A. Sand, of Hutchinson, secretary of the Kansas Cooperative Grain Dealers' Association; J. L. Hipple, of Ford, member of the Grain Dealers' Association; H. L. Hartshorn, of Ford, vice president of the Cooperative Elevator Commission and a member of the farm bureau board; Andrew Shearer, of Frankfort, member of the farm bureau; R. C. Obrecht, of Topeka, member of the farm bureau; O. O. Wolf, of Ottawa, vice president of the farm bureau.

The resolution which was passed by the council:

TEXT OF RESOLUTION

"We are disturbed by the provisions of the farm House bill, which makes good declarations of policy but applies restrictions which will prevent them from being carried out. We hope that our Congressmen and Senators will use the most vigorous efforts to secure the enactment of the safest and most adequate farm bill possible through the conference committees and in final action.

"The House tariff measure as reported by the committee, although it contains some schedules helpful to agriculture, we feel is detrimental to agriculture as a whole. Under this proposed measure the increased cost which farmers must pay as a result of changes in other schedules, notably among these are the schedules dealing with building materials.

"We feel that since the fundamental purpose of this session is to correct the disparities and disadvantages from which the farmer is now suffering, the entire tariff measure must be readjusted to the accomplishment of that purpose. In this connection we wish to put our indorsement upon the agricultural schedules prepared and presented by the farm groups and believe that these should be given much fuller consideration and expression in the bill.

"We protest against attempts of those groups already enjoying disproportionate tariff benefits to further advantage themselves at this time."

THE TARIFF ON BRICKS

Mr. O'CONNOR of Louisiana. Mr. Speaker, I ask unanimous consent to make a part of my extension a letter I received from the Standard Clay Products Co. on the brick schedule.

The SPEAKER. The gentleman from Louisiana asks unanimous consent to extend his remarks in the RECORD by printing a letter relative to the brick schedule. Is there objection?

There was no objection.

Mr. O'CONNOR of Louisiana. Mr. Speaker and Members of the House, the hearings before the Committee on Ways and Means of the House of Representatives which have had under consideration for four or five months the pending tariff readjustment are inviting fields to lovers of literature, art, medicine, history, law, and romance. As a matter of fact, the tariff covers almost every subject under the sun. A perusal of the statements, briefs, speeches, and addresses as printed in those hearings would make for more than a liberal education on the part of anyone ambitious to acquaint himself or herself with the absorbing and alluring history that lies in every subject, whether treated as a part of the dutiable or of the free list.

Even the humble pin, if gifted with the power of expression, could tell a story of its origin that goeth far back, to a period so remote that, in the solemnity of a sonorous legal phrase, the memory of man runneth not to the contrary. Animal and vegetable life both figure in its history, and its development has marked the successful steps by which mankind has risen from the caves and the limbs and branches of trees to the present civilization so dazzling in its magnificence that its most affectionate votaries wonder if it too shall pass away, like some insubstantial pageant fades and leaves not a wrack behind. And the common brick has a story behind it which, if it were articulate, could tell in fascinating numbers inspiring prose. As disclosed by the hearings, the romance of brick is indeed a fascinating story. Way back in prehistoric times primi-

itive man, when he found dews and rains would fall on the clay, discovered that if he took it up he could press it together and then the rays of the sun would dry it; and from that he learned to make something from which he might build. Then a little later as brains developed in primitive man, he found that he could put grass into the clay and bind it closer together and keep it from disintegrating; and then later on, centuries afterwards, he discovered the mysterious influences that lie within the great mystery of that greatest of all of the mysteries—fire. He saw the transformation, as it were, take place when fire touched the clay; and he witnessed the marvels that sprang from that contact.

The story of bricks carries us into the Biblical history of the Jews and the hardness of their lot when they had to make bricks without straw, and it suggests the reference made by the contemporary historians of the Augustan period that the great emperor found Rome brick and left it marble. Brick is a tremendous industry in the United States, but has suddenly found itself confronted with a menace from over the seas. Bricks are coming into our ports in ballast, which is significant enough without elaboration to any reader that understands that statement. Years ago, before the advent of asphalt, New Orleans was paved with square-block stone and cobblestone, most of which came from Liverpool in ballast, the steamers returning from New Orleans loaded with cotton. We paid little or nothing for the material that made up the pavement of our streets, along the river front particularly, two or three generations ago. As a consequence, we who remember those days know what an effect brick brought over in ballast can have on the brick industry in this country, where American labor at good wages is employed.

I am not going to make this address too long. Experience has convinced me that long addresses, like long newspaper articles, will not be read. Years ago a certain lawyer said in New Orleans about an act of the legislature, "It is too long; you can stick the Lord's Prayer in one of its sentences and the Sermon on the Mount in one of its paragraphs. Nobody will ever read it or understand it." I am going to make this extension a short one and follow the Latin maxim, "multum in parvo." In other words, I am going to compress much wisdom into these few lines by giving you the thought of the Standard Clay Products Co., who are among my constituents. Their views should be of interest to brick men throughout the United States, and particularly to those in the remote interior, as we still delight to phrase it, and far from our great ports of the Gulf and the Atlantic Ocean.

NEW ORLEANS, LA., May 13, 1929.

Hon. JAMES O'CONNOR,

Care of House of Representatives, Washington, D. C.

DEAR MR. O'CONNOR: The manufacturers of common brick in Louisiana have noticed that some of the statements appearing in the press ascribed to Members of Congress, commenting upon the report of the tariff committee of the House Ways and Means Committee, have expressed the opinion that the proposed tariff on common building brick will increase the cost of the building to the farmer.

A common building brick by its very nature can only be transported a short distance from its place of manufacture. Up to the present time the metropolitan area of New York, which consumes 20 per cent of all building brick manufactured in the United States, has received 95 per cent of all brick imported. Manufacturers of common brick located in the small towns throughout the States of New York, New Jersey, and Connecticut, are the only ones who have seriously been affected to date. These men who are forced by the nature of their commodity to depend entirely upon the New York market have been very dangerously crippled by imported brick being sold to the dealers at prices below the cost of the domestic production.

It is a physical impossibility for any of the brick manufactured in those three States to be delivered beyond the immediate vicinity of their plants, and the sale price of the brick in that area does not have the slightest effect upon the price of brick in any other locality in the United States.

The idea that has been expressed that a tariff upon common brick would affect the price which the farmer had to pay for his building is entirely an erroneous one. The only point where imported brick can ever affect prices is in the immediate vicinity of the Atlantic seaboard and Gulf States.

The particular interest which manufacturers in this State take in this subject is the positive information which we have that it is the ultimate intention of the importers to first obtain a foothold in the metropolitan area of New York and then spread out along the entire seaboard of the United States.

We realize that the tariff would have to be considerably higher than the \$1.25 which has been proposed to stop the importation of foreign brick. We are, however, hopeful that it will discourage the present plans upon the part of the importers, which have been to greatly increase the importation and after obtaining control of business in New

York, New Jersey, and Connecticut, to spread out and establish marketing stations in our State.

We sincerely trust that as Representative of this great State you will do all within your power to maintain a tariff on common brick, and that you will attempt in every way possible to explain to those Congressmen from inland States, who are, we understand at the present time, protesting against the tariff on brick, that this tariff can in no way affect them.

Common brick are sold in the immediate vicinity of the plant which manufactures them, and because of the excessive railroad freight charges it is impossible for brick manufacturers in any one district to go into another district and enter into competition with a locally manufactured product.

We would like to hear from you upon this subject.

Very respectfully yours,

STANDARD CLAY PRODUCTS CO. (INC.),
GEO. J. LANGNECKER,
Secretary-Treasurer.

LEAVE TO ADDRESS THE HOUSE

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent that after the reading of the Journal to-morrow and the disposition of business on the Speaker's table, and the conclusion of the consideration of the rule to send the farm relief bill to conference, I be permitted to address the House for 20 minutes.

The SPEAKER. The gentleman from New York asks unanimous consent that at the conclusion of the action to be taken on the resolution sending the farm relief bill to conference to-morrow he may address the House for 20 minutes. Is there objection?

There was no objection.

EXTENSION OF REMARKS—THE TARIFF

Mr. NELSON of Maine. Mr. Speaker, under leave to extend my remarks in the Record, I include a brief on the imperative need of an added tariff on Irish potatoes, filed by the Members of Congress from Maine with the Committee on Ways and Means.

The brief is as follows:

COMMITTEE ON WAYS AND MEANS,

House of Representatives, Washington, D. C.

GENTLEMEN: In accordance with the suggestion of Chairman HAWLEY, the Members of Congress from the State of Maine herewith file a supplemental brief relative to the imperative need for an increase in the present tariff rate on potatoes.

TARIFF RATES HAVE NOT KEPT PACE WITH INCREASED COST OF PRODUCTION

Tariff of 1890: The cost of production of potatoes in 1890 was about \$1 per barrel. This tariff measure carried a specific rate on potatoes of 25 cents per bushel, or 41 cents per hundred pounds.

Tariff of 1894: The Dingley bill continued the above rate.

Tariff of 1922: When this Republican measure was enacted in the interests of American agriculture, the cost of producing potatoes had practically doubled over the costs of 1890 and 1894. The Agricultural Yearbook for 1927, at page 1143, table 486, gives the average cost of production of potatoes in the northeastern group, for 1926, as 74 cents per bushel, or \$2.04 per barrel. The Fordney-McCumber bill raised the tariff on potatoes from 41 cents to 50 cents per hundred. In 35 years, although costs of production had doubled, the tariff was raised but 9 cents.

That this rate is entirely insufficient to protect the American market is shown by the fact that under it imports have steadily increased and the Canadian producers are constantly underselling American producers in the American market. The importations depress the market, keep it in an unstabilized condition, and add to our surplus problem. In 1919, under a Democratic tariff bill, 5,534,472 bushels of potatoes were imported into this country. In 1926, under the Fordney-McCumber bill, exemplifying the benefits of protection to the American producer, there were imported 5,646,236 bushels. If there was need of a tariff in 1922 there is need of one to-day.

AMERICAN PRODUCERS CAN SUPPLY DOMESTIC NEEDS WITHOUT IMPORTATIONS

The annual production of potatoes in the United States has steadily increased until it has passed the 400,000,000 bushel mark. Any amount in excess of 400,000,000 bushels constitutes a surplus. The American producer can supply the demands of the domestic market without importations. Every carload imported displaces a corresponding carload of American potatoes. This market should be preserved to the American producer.

This could constitute no danger of excessive prices to the consumer. There are many thousands of producers with no possible trust or monopoly. Competition in the home market and among home producers, all on the basis of an American standard of living, would keep prices down to a reasonable level.

THE MEASURE OF COMPETITIVE CONDITIONS SHOULD BE ADOPTED RATHER THAN THAT OF COMPARATIVE COSTS

The present bill was conceived primarily in the interests of agriculture, and is being written by Republicans. The Democratic tariff theory of comparative costs alone should not be, and apparently has not been, overemphasized therein. The Republican theory of competitive conditions has influenced the rate on many articles in this measure, and the potato farmer asks that it be applied in his case.

There can be no question but that land, labor, and transportation costs are less in Canada than they are in the United States. The American producer believes that potatoes are produced much cheaper in Canada than in this country. However that may be, it is not the cost of the potatoes in Canada that disturbs the American producer, but the price at which they are sold in this country.

The Canadians are constantly underselling the American producer in the American market. Imports have increased from 1922 to 1926 about 281 per cent. The Canadian producer, in the spring, dumps his potatoes on the American market. Production in Canada is continually increasing, with increased threat to American producers and the American market.

Canada is a large producer of potatoes and often has a heavy surplus. In 1927 the production was 77,430,000 bushels, and in 1928, 83,658,000. Production in the Maritime Provinces has increased five times in 10 years, and in Prince Edward Island ten times. Canada exports to Cuba and the West Indies in addition to her exports to the United States.

The total consumption of potatoes in Canada for the calendar year ending March 31, 1928, was about 66,000,000 bushels, or 21,956,000 barrels. Thus it may be seen that each year Canada raises a large surplus for export. In 1927 the surplus must have been about 12,000,000 bushels; in 1928, about 18,000,000 bushels. This annual surplus she has to get rid of at some price.

DUMPING

Year after year the United States is the dumping ground of the Canadian surplus. During the fall and winter the potato growers of the United States and of Canada hold back part of the crop in hopes of a rise in the market. When spring comes, in March, April, and May, it is necessary to get rid of them at any price. The Canadians this year have been selling potatoes to their starch factories for 25 cents per barrel. Immediately the American market went up to a point where it would pay anything more than 25 cents, plus the tariff, plus the cost of transportation, the Canadians commenced to ship into the New England and New York markets. This situation is not peculiar to the present year, but is a continuing one, and the dumping is a constant threat and a constant injury.

So far as this dumping goes it is not a question of what these potatoes cost the Canadian producer, but a question of how much more they can get in the American market than they can get at their own starch factories.

CANADIAN IMPORTATIONS AND THE CANADIAN SURPLUS A CONSTANT THREAT TO THE NEW ENGLAND MARKET

Year after year the Canadian surplus hangs as a continual threat over the New England and New York markets. In years of large yield, when prices are below cost of production, the New England producer knows that as soon as potatoes reach the \$1.25 mark the Canadians will be shipping their surplus into this market; and, accordingly, the American producer begins to sell at that price before it is flattened out by Canadian importations. This year cargoes of Canadian potatoes were shipped into the New England market while the price did not exceed the tariff by more than a few cents. A tariff of 75 cents a hundred would mean that instead of being obliged to sell at a peak of \$1.25 the American farmer could hold off such selling until prices had gone up an additional 41½ cents a barrel.

An increase in the tariff would also tend to discourage the constant planting of increased acreage in Canada.

RECENT IMPORTATIONS AT LESS THAN COST AND THEIR EFFECT ON THE NEW ENGLAND MARKET

Following are recent prices of potatoes, recent importations, and the effect on the New England and New York market.

PRICE PER BARREL TO FARMER

From April 1, the price rose gradually from 80 cents to \$1 on April 13.

From April 13, it again rose to \$1.50 on April 23.

On April 24, the price was \$1.40; on April 26, \$1.25. The price then gradually rose to \$2 on April 30. It then gradually worked down to \$1 on May 11.

The cause of this market depression is easily seen. Immediately, prices arose above 80 cents, Canadians began importations. Between April 1 and April 25, 250 cars of Canadian potatoes were shipped into the New England and New York market. These 10 cars per day, while they depressed the market, did not destroy it. Between April 25 and May 12, 500 additional cars were shipped in here, at the rate of about

30 cars per day. On one day 70 cars were thus shipped. The market could not stand it and the price dropped from \$1.75 to \$1.

In addition to these 750 cars there should be taken into consideration the thousands of bushels of potatoes hauled by teams and trucks into the United States and shipped in American cars.

The mere fact that these Canadian potatoes can be imported so cheaply causes a marked depression in the market, without the importation of a single car. Brokers call up, tell what they can buy Canadian potatoes for, and drive the American prices down.

This is not a Maine problem alone. Depression of the New England market has its effect on the New York market, and that, in its turn depresses the Chicago market which fixes the prices on the western crop. The spring dumping of Canadian producers on the American market has a very injurious effect on the price of the spring crop of the Southern States, which are just beginning to come in.

BERMUDA, CUBA, AND MEXICO WILL SOON FLOOD THE MARKET WITH EARLY POTATOES

Bermuda, Cuba, and Mexico have become important factors in the production of early vegetables. This measure now carries a heavy duty on most of the vegetables which these countries have been raising and importing into the American market, such as tomatoes, onions, and eggplant. With the cultivation of these crops rendered unproductive by this tariff, if no substantial tariff increase is made on potatoes, these countries will devote their energies and land to the cultivation of potatoes and flood the American market with millions of bushels of early potatoes. As the price is often \$5 to \$8 per barrel in the early spring and summer, a tariff of 75 cents per hundred pounds would be practically no deterrent to their importation.

SUGGESTION AS TO COMPROMISE TARIFF RATE

The potato growers of Maine believe that a rate of \$1 per hundred pounds should be given potatoes, and that the same is justified by comparative costs and competitive conditions. Knowing, however, that all legislation is more or less a matter of compromise, they now ask that the rate be made 75 cents per hundred pounds, but not less than 50 per cent ad valorem.

The specific duty will be of inestimable value to the northern producer, and the ad valorem rate is necessary for the protection of the southern producer of the spring crop against the rapidly increasing imports from Bermuda, Cuba, and Mexico.

Respectfully submitted.

WALLACE H. WHITE.
CARROLL L. BEEDY.
JOHN E. NELSON.
DONALD F. SNOW.

Mr. CELLER. Mr. Speaker, in the act of 1922 the law provides a specific rate of 45 cents per pound, but in no case shall the duty be less than 45 per cent ad valorem. The working of that schedule was to the effect that the industry had a minimum protection of 45 cents per pound, the ad valorem rate applying only in those cases where the price per pound of the imported article was in excess of \$1.

During 1921 the American price of 150-denier yarn was \$2.75 per pound. A duty of 45 cents per pound related to the American selling price was \$1.2375. Since February, 1929, the American price for 150 denier has been \$1.30, so that an ad valorem of 45 per cent related to the present selling price is equivalent to 60.5 cents.

At the time the law of 1922 was enacted the production of rayon was confined principally to counts or weights of 150 denier or heavier and twisted four turns per inch or less, but that during the succeeding years the tendency has been for an increase in the production of finer sizes or counts, and as these finer sizes or counts have worked themselves into the finer textiles it has required the production of yarns not only of the finer sizes or counts but containing also a greater number of twists per inch.

At the time the law of 1922 was enacted the yarn was delivered principally in skein form, whereas to-day the manufacturers of rayon are required to put yarn upon special packages, such as cones, tubes, cops, quills, and so forth.

That the evolution of the art, bringing with it the refinement in size, the requirement for a greater number of turns per inch, and special forms of packages necessitated a differential scale of duties to compensate for the increased costs to produce.

That the specific duty of 45 cents per pound or not less than 45 per cent ad valorem furnished essential protection as applied to the sizes, twists, and the packages then produced, but that the rates were inadequate for the finer sizes, twists, and special put-ups under present-day conditions.

The proposed bill just reported by the Ways and Means Committee eliminates entirely the specific rate of 45 cents per pound under the proposed paragraph 1301, which reads as follows:

Rayon yarn, if singles, weighing 150 deniers or more per length of 450 meters, 45 per cent ad valorem; weighing less than 150 deniers, 50 per cent ad valorem; any of the foregoing plied shall be subject to an additional duty of 5 per cent ad valorem.

To illustrate the extent to which the new paragraph reduces the actual duty, we find from the Department of Commerce that the grand total of imports of rayon yarn—singles and doubles—entered for consumption and into warehouse for the month of February, 1929, was 1,261,430 pounds at a value of \$992,151, or an average price of 78.7 cents. The size or counts range from 45 to 400 deniers. The report does not indicate the form of package the yarn as imported was put up, nor does the report indicate the number of twists in the particular items imported for that month. If all of the yarn imported was subject to an ad valorem rate of 50 per cent which, of course, it would not be because the sizes or counts run from 45 deniers to 400, the average duty paid would be 39.4 cents per pound, as against a minimum of 45 cents in the present law.

An examination of the analysis of the February imports, the latest available, shows a total of 1,261,430 pounds at a value of \$992,151. Of the total of 1,261,430, 85 per cent of the physical volume is comprised of 100 deniers, 150 deniers, and 300 deniers. Applying the rates in the present law to the imports of 100 deniers, 150 deniers, and 300 deniers, the duty payable would amount to \$586,901.35, whereas the duty payable under the proposed law would be \$365,247.30. Putting it in another way, for the month of February 85 per cent of the imports would pay only 75 per cent as much duty under the proposed law as under the present law.

It will be noted that only in the case of the 100 deniers would a greater amount of duty be assessed under the proposed law than would be the case under the existing law. It must be remembered that the principal production is still in sizes or counts of 150 deniers or heavier, the percentage production of which in the year 1928 being 84 per cent.

The figures below will give a comparison of the duty payable under the present law and the proposed law as applied to February imports on the sizes of 100 denier, 150 denier, and 300 denier:

Denier		Duty payable	
		Present law	Proposed law
100	97,897 pounds, at \$1.13; \$111,119, at 45 per cent ad valorem	\$50,003.55	-----
100	97,897 pounds, at \$1.13; \$111,119, at 50 per cent ad valorem	-----	\$55,559.50
150	926,509 pounds, at \$0.71; \$662,034, at 45 cents specific	416,929.05	-----
150	926,509 pounds, at \$0.71; \$662,034, at 45 per cent ad valorem	-----	297,915.30
300	44,375 pounds at \$0.58; \$26,050, at 45 cents specific	19,968.75	-----
300	44,375 pounds, at \$0.58; \$26,050, at 45 per cent ad valorem	-----	11,772.50
Total		486,901.35	365,247.30

The above shows very conclusively the importance of the 45 cents per pound specific duty, which by all means should be restored.

The industry further considers it of first importance that a schedule of differential duties, covering the more costly sizes and specifications as to twist and special package, be incorporated into the act, in the same way as these differences have been recognized in the proposed cotton yarn schedules. (See rayon brief, subpars. 4 and 5, p. 6748, vol. 12.)

In reading the report of the committee in reporting the bill to the House, at page 115, Tariff Adjustment, 1929, Schedule 13, rayon manufactures, one gets the impression that the committee intended to give the industry more protection than it now has, but, in fact, they have in the case of deniers or sizes of 150 and heavier reduced the protection approximately 50 per cent by withdrawal of the 45 cents per pound specific duty.

Price lists of companies operating in Europe indicate that their home sale prices are, in fact, less than their declared prices for entry into the United States, which leads us to the conclusion that even the present rates in the existing law present no serious barrier to the European producers.

Please understand that the foregoing comments apply only to the proposed paragraph 1301, Schedule 13.

Mr. SELVIG. Mr. Speaker, two additional telegrams supplementing those that I presented to the House yesterday giving testimony regarding the quality of domestic casein have been received.

There can be no reasonable doubt as to our ability to produce satisfactory casein for any and all purposes.

I will place these two telegrams in the RECORD:

NEW YORK, N. Y., May 15, 1929.

Hon. C. G. SELVIG,

Representative Ninth District, Minnesota,

Washington, D. C.:

All casein produced by our company in five States—about 2,000,000 pounds annually—for years has received preference and premium of 1 cent per pound over any imported casein. Have had samples of Argentine casein as inferior as the poorest domestic. Argentine production entirely self-sourced of necessity. Domestic production muriatic, sulphuric, rennet, and self-soured. Any intelligent consumer knows methods of using either product satisfactorily. Increased importations Argentine this season at better than cent per pound less than last season. Domestic producers holding their production, refusing to meet the cut.

SHEFFIELD BY-PRODUCTS CO.

SAN FRANCISCO, CALIF., May 15, 1929.

Hon. H. E. BARBOUR,

House Office Building:

Are informed opposition to increase casein tariff contending domestic product not equal to foreign account of difference in feed to cows. Know by long personal experience this without foundation and that high-grade casein can be made throughout dairy sections of United States. What is required is sufficient tariff to stabilize market and hold prices above cost production. Your assistance appreciated.

C. E. GRAY,

President Golden State Milk Products Co.

Mr. GRIFFIN. Mr. Speaker and colleagues, prevented by illness from taking part in this debate I feel that I ought not to allow the discussion to close without putting my views on record. I have made a summary of past tariff legislation which I hope will prove of interest as well as of value in comprehending the significance of the tariff bill of 1929.

Among other things, this is said to be a bill to "protect American labor," although the inevitable effect of it will be to further enhance the high cost of living and make it doubly certain that the laboring man, under its vicious provisions, will be obliged to pay more for his meat, his bread, and his sugar; his clothing, his boots, and his shoes; the tools with which he earns his livelihood, and all of the necessities of his life.

This bill also pretends to protect the farmer by increasing the tariff on agricultural products; but is not this merely a gesture with tongue in cheek? Every economist knows that as far as the export market is concerned nothing that we may do in the way of tariff fixing can possibly enhance the price of a bushel of wheat or a peck of potatoes in foreign markets.

Neither is there any doubt that the increase of duties on agricultural and dairy products will enhance prices in the home market and subject 110,000,000 people, not engaged in agriculture, to the burden of increased costs of living. When this happens, of course, every wage earner who bears the burden will immediately demand an increase of wages and every producer who has to pay increased wages will raise the price of his products. And so the process of diffusion goes on in endless circles until the increased tariff burdens are generally distributed. With increased cost of living everywhere prevailing, the farmer will find himself in the same relative economic position as he occupied before a charlatan school of political economy attempted by quack remedies to "encourage and protect him."

We are precisely in the same situation to-day as we were in when the Fordney tariff bill was before the House.

In a debate in this House on that occasion I used this language:

We have been tinkering with the tariff since the beginning of our history as a nation, and I presume we must record one more failure in the way of tariff legislation before we will be willing to take a new point of view. No tariff bill has ever been a success and none ever will. Ten years from to-day the Fordney tariff bill will take its place in the rubbish heap along with the others.

Well, it is less than 10 years since those words were spoken, on July 20, 1921. It is now only eight years and the Fordney tariff bill is on its way to the "rubbish heap."

I claim no power of divination in making that prophecy. I simply applied the analogies of history. We have been tinkering with the "tariff" since the beginning of our history as a nation. It is a matter of record that every tariff bill ever enacted became obsolete in from 1 to 20 years.

THE HARMONY OF LAW THROUGHOUT ALL NATURE

There is a harmony of law throughout all nature which the charlatan and the demagogue are prone to ignore.

LXXI—91

The laws of diffusion and distribution which prevail in nature act and react with equal force in the domain of political economy. Formerly the demagogue, in administering his high protective tariff prescription, would try to put it down the throats of the gullible that the tariff duties were paid by the foreign exporter. He does not dare to venture that argument to-day. He always knew that the tariff duties were paid by the consumer. Now he knows that the consumer knows. Hence his resort to other subterfuges and attempts at camouflage.

THE HIGHER THE TARIFF THE HIGHER THE PRICE LEVELS

The consumer now knows that the higher the tariff barriers the higher will be the domestic price levels. It rises like the tide, gradually but inexorably. A law analogous to the law governing the flow of liquids comes into operation—water will always seek its own level, ever tending to reach the level of its source. In time it permeates every cove and estuary. So in time the rise of prices filters into every nook and corner of agricultural, industrial, and commercial activity.

THE ECONOMIC BALANCE

When the rise in cost of home products reaches a point where it equals the cost of foreign production plus the expense of shipment, handling, and transportation, then we have what may be called "The economic balance." In such a state, which is the ideal state of international commerce, trade intercourse becomes fluid and easily adapts itself to economic changes in the respective countries where trade relations exist.

Thus if there is a shortage of crops or industrial output the deficiency is spontaneously and automatically supplied by a prompt and ready movement from other countries, with which trade contacts are maintained, as they ought always to be maintained. The effect of this balance and this relationship is to prevent famines and hardships; likewise, and a very important factor it is, this mobile condition of international trade relationship will automatically check profiteering and price gouging, an evil of which the consumers of this country have been the victims for the past 50 years.

When, however, the rise in the cost of home products exceeds the cost of foreign production, plus the cost of transportation and handling, then the economic balance is destroyed. Then if you want to renew the flow of domestic commodities into foreign markets, we must resort to artificial means; we must pump them over the dikes and barriers by main force. Hence our predicament to-day. Hence the so-called farm relief bills, the shipping bills, and ship subsidies.

A REVIEW OF PAST TARIFFS

The tariff question is primarily a problem in taxation. When the thirteen Colonies separated from Great Britain the first urgent question that confronted the infant nation was the necessity of providing a practical and adequate system of revenue. To accomplish this it was thought best to adopt the system of indirect taxation, which, it was deemed, would be less onerous to the taxpayers. The enhanced price of the imported necessities or luxuries would thus be generally diffused and distributed.

In order to obtain the greatest revenue from the customhouse it was originally aimed to impose the tariff duties on those articles most widely in use and most generally needed—preferably on such products and commodities as were not produced at home—as tea, coffee, spices, and luxuries generally.

THE TARIFF OF 1789

While this was the purport and character of the first tariff measure, which became a law on July 4, 1789, its preamble recited as among its objects "the encouragement and protection of manufacturers." The framers were at least frank about it; so frank, indeed, that none of our subsequent tariffs was ever again permitted to contain this bold confession of an intent to foster and protect any special kind of industry. Imagine the outcry to-day among the farmers and the "farm bloc" if such a confession were included in the preamble of the present bill.

The injection of the protective idea raised a storm of opposition. It was something radical indeed, and strangely novel in Democratic political philosophy. It was inimical, it was said, to a strict construction of our Constitution, and it was urged that Congress had no power to levy duties for the purpose of protecting any particular industry. "Its powers," it was said, "only extended to the enactment of such measures as are necessary to raise revenue for the maintenance of government."

To frame schedules specifically for the protection of certain special interests in order to promote a monopoly, having in mind the evils of monopolies in England and France, created by monarchical fiat, was not considered as within the constitutional authority of Congress. That argument had some weight, and the tariff rates were accordingly fixed at an exceedingly moderate figure. The average duties were about 8½ per cent—

just sufficient to establish an economic balance and give the home made products a chance for existence without entirely sacrificing the revenue that was expected to come into the Treasury from foreign imports.

TARIFF TINKERING BEGINS

No sooner was the first tariff imbedded in our statutes than tariff tinkering began.

Between the passage of this first tariff law and that of 1816 about 17 amendments were enacted, four of which were in the nature of a general revision, namely, the acts of August 10, 1790; May 2, 1792; June 7, 1794; and July 1, 1812.

THE TARIFF OF 1816

In 1815, at the close of the War of 1812, President Madison, in compliance with the appeals of the protected industries and of many others that had not been so far benefited, urged the passage of a new tariff law in which protection was to be the dominant feature.

The act was passed by substantial majorities in both Houses on April 27, 1816. The Senate vote was 25 to 7 and in the House the vote was 88 to 54. This was the first tariff act to introduce minimum duties. Its duties more than doubled those of the first tariff. Their average was about 19 per cent.

THE TARIFF FIGHT OF 1823-24

Insensibly and gradually basic principles were forgotten and by the time the next tariff was framed—just eight years after—in 1824 the manufacturers who had profited so well under the protective idea in the tariff of 1816 were in the arena again for more blood.

They had profited by the trial of the new principle. They had become wealthy—but there was a fly in the ointment. They had gotten bigger prices for their commodities, but they had found, though they did not recognize its significance, that the general commodity price level had risen all around, so that what had been a commercial advantage to them in 1816 had, in the meantime, lost its potency and they found themselves in 1822 on the same relative economic level as they were when the tariff of 1816 was enacted for their benefit.

The tariff fight of 1823 aroused widespread national interest. The greatest statesmen took opposing sides. For instance, Clay stood for protection and Webster fought against it. This was the more strange as Clay came from the South, which was against the protection theory, while Webster came from New England, which profited most by the protective-tariff system. This circumstance was in one respect a happy alignment of forces, for it tended to mitigate the sectional character of the dispute.

THE "AMERICAN SYSTEM"

In 1823, the special interests, which had come begging at the doors of Congress in 1815 had now waxed strong and powerful. They had invented a new name for the protective idea—they called it the "American system." Anything labeled "American" in the early days of the Republic was something to start the eagle screaming. To-day, with all of the European countries lined up in battle array under banners of the same import—exploiting nationalism as an excuse for cartels and embargoes against foreign competition, the term "American system" can not make much of an appeal. But it sufficed then, and for a long time thereafter. The protective system thus obtained its baptism and benediction under the euphonious and appealing title of "American" and the tariff act of May 22, 1824, became a law by a narrow margin of but 5 votes in the House and 4 in the Senate. Its average duty was 37 per cent.

The tariff of 1824 was considered as particularly partial to the South and West and it may be said that it was at this period in our history that the play of sectional and conflicting interest in tariff schedules began. Iron, wool, hemp, and sugar were heavily protected, which pleased Pennsylvania, Ohio, Kentucky, and the Southern States, but it did not please the New England States, which wanted low duties on those articles and high duties on its growing manufactures.

THE TARIFF OF ABOMINATIONS, 1828

Inside of four years the tariff of 1824 had created such dissatisfaction that a new tariff was proposed and passed on May 19, 1828. This act made a complete switch in policy. Its rates were so high and so unfavorable to the Southern and Western States that it was called the "tariff of abominations."

THE TARIFF OF 1832 AND NULLIFICATION

The protests against the "tariff of abominations" culminated on July 14, 1832, with the passage of a new tariff. This act also catered to New England at the expense of the South and West, encouraging the products of one section at the expense of the other. For instance, the duty on iron was reduced while that on manufactured woollens was increased.

The passage of this act may be deemed the proximate cause of the nullification movement, in which South Carolina took the lead. A State convention was called at Charleston and on November 24, 1832, the ordinance of nullification was passed. This declared the tariff acts of 1828 and 1832 void and prohibited the payment of duties thereunder after February 1, 1833.

CLAY COMPROMISE TARIFF OF 1833

However, when that, the crucial period, approached assurances had been given in Congress that the "obnoxious tariff" schedules would be modified and the defiance of Congress was never put to an actual test. On March 2, 1833, the new tariff bill was passed, sponsored by Henry Clay. It was more satisfactory to the disgruntled sections of the country and on March 16, 1833, the South Carolina convention repealed the ordinance of nullification.

THE LESSON LOST

Although the modifying and mollifying schedules of the great compromisers' tariff of 1833 diverted the threat of civil war, it did not touch the basic evil underlying the system of logrolling by which it seems protective tariffs must inevitably be passed.

The inherent viciousness of this seems never to have been grasped by American politicians. To this very day the mere mention of a new tariff initiates a wild scramble for booty. The protective idea has simply degenerated into a cloak to cover sectional jealousy and avarice. In this lives the seed of national danger.

THE TARIFF OF 1842

The compromise tariff of 1833 fared no better than its predecessors. It reduced the national revenue, while, at the same time, it did not even succeed in pleasing those it was chiefly designed to propitiate. The home, or American valuation scheme, which had been tried out in it for the first time, created confusion and general dissatisfaction. This tariff lasted nine years.

Then came the tariff of August 30, 1842, with average duties of 33 per cent and a return to foreign valuations. This, too, was only a makeshift. It was hardly in operation a few months before plans were made which led to its supersession after a brief experience of four years.

THE TARIFF OF 1846

Robert J. Walker, the able Secretary of the Treasury under President Polk, and an earnest student of political economy, after a careful study of our tariff system, made an exhaustive report upon which was framed the tariff bill which was enacted on July 30, 1846. It reduced the average duties to 25 per cent.

THE TARIFF OF 1857

The national revenues increased so satisfactorily under the Walker tariff that in a few years it was found that the customs duties would stand another cut. Accordingly, under the tariff which became a law on March 3, 1857, the schedule rates were cut down to an average of 20 per cent. And that, strange to say, was done without much protest.

THE MORRILL TARIFF OF 1861

On March 2, 1861, on the verge of the Civil War, the famous Morrill tariff was enacted. The cut in the duties of the 1857 act to 20 per cent proved too drastic to bring the required revenue for national needs. Accordingly its duties were considerably increased.

THE TARIFFS OF 1862 AND 1864

The protected manufacturers soon saw in the dire straits of their country the opportunity to aggrandize themselves upon the pretext of raising revenues for the maintenance of the Union.

Constant increases in the tariff schedules were made during the war, the most important revisions being under the acts of July 4, 1862, and June 30, 1864.

In 1868 the average of our protective duties was 48 per cent. In addition to this the people had to bear the burden of an elaborate system of stamp and revenue duties.

STAMP DUTIES VERSUS TARIFF DUTIES

When the Civil War was over, the people naturally looked for a mitigation of the exorbitant tariff rates. However, the direct beneficiaries of the high duties were so well satisfied with the war tariff that they concentrated all the forces which their wealth could marshal in a march on Washington to prevent Congress from paring down or molesting the bulwarks of their power. From the point of view of the "protected" industries the problem was quite simple. The Government now in a state of peace was collecting more revenue than was required. Therefore reduce the tariff on imports? By no means. Remove the stamp taxes? Of course. And that was done.

Precisely the same formula was followed at the close of the Spanish-American War. Instead of mending the hybrid Wilson Tariff Act, which put Cleveland's second administration on the rocks, the stamp taxes went by the board.

THE TARIFF OF 1870

At the close of the Civil War, the party in the ascendency considered its protective tariff policy no longer debatable. The justice of the demands of the people for a reduction of the high cost of living was, however, admitted. The problem was: "How can the people be pacified without disturbing the high protective tariffs which the favored industries had so long enjoyed?" To touch these would be lese majesty. How, then, would they appease the hoi polloi? It proved to be quite simple. They would take off or reduce the duties on tea, coffee, and sugar for the poor and reduce the duty on wines for the rich. And so the tariff act of July 14, 1870, was written into the law.

THE TARIFF OF 1872

But the protests of the people could not be suppressed by half measures. High prices still prevailed and the veterans of both the northern and southern armies experienced the usual post-war difficulties in reestablishing themselves in civil life and finding employment. Notwithstanding that there was \$100,000,000 surplus revenue in the National Treasury, poverty and distress prevailed throughout the land. Under these distressing conditions Congress again tackled the problem, and the tariff of June 6, 1872, was enacted into law. The principle of horizontal reduction was its most distinguishing feature. A 10 per cent slice was taken off the existing rate on woollens, cottons, metals, paper, glass, and leather. Substantial reductions were made in salt, coal, and other natural products, while tea and coffee were to be admitted free.

The devotees of the protective idea were lucky. The panic of 1873 gave them a potent argument to use as a shibboleth against meddling with their pet theory, so in 1875 the horizontal reduction of 10 per cent made on certain articles in the 1872 tariff was repealed and an increase of 25 per cent added to the duty on sugar.

THE TARIFF COMMISSION OF 1882

President Arthur in 1882, in deference to the outcry for the abolition of the war tariffs and the reduction of the constantly growing national surplus, appointed a commission of nine to make a study of the situation. All of his appointees were protectionists, so that their report was a foregone conclusion. They went through the motions of making an exhaustive study of the problem, but like the majority of our Ways and Means Committee of to-day they assumed that the protective idea was sacro-sanct and that the scope of their inquiry would not permit them to challenge its divine authority. Consequently, although they took volumes of testimony, the obvious, underlying aim of their research was not "whether a duty should or should not be imposed," but "how much?"

THE TARIFF OF 1883

Congress did not take much stock in their findings. Each House framed and debated its own bill, and the two were finally whipped into shape in conference into a compromise measure, which became a law just before the Congress adjourned on March 3, 1883.

This tariff, while making many reductions, was far from satisfactory—the usual ailment of all tariff bills that ever were or ever will be created. It was designed to reduce the surplus in the Treasury, which had again risen to the \$100,000,000 mark, but in that direction it had no effect whatever.

THE MORRISON FIASCO

In 1884 the Democrats controlled the Congress, and to make good their election promises tried to return to the horizontal cut idea. It was figured that it would have brought down the annual surplus about \$30,000,000. Although it was a Democratic measure, 41 Democrats, led by Sam Randall, of Pennsylvania, joined the Republican high protectionists in accomplishing its defeat.

The story of a measure which has failed may have as much historic value as that of one which succeeded. In the annals of time a battle lost means a battle won and a battle won, a battle lost. In the Morrison fiasco this was notably so. Its fate betrayed, the beginning of a fatal cleavage in the ranks of the Democratic Party which was destined to render ineffectual Cleveland's subsequent victory.

CLEVELAND'S STRUGGLE WITH HIS OWN PARTY

The Democratic platform, upon which the victory was won, promised tariff revision without impairment of American industry. An attempt was made to put through a bill framed along that line, but again Randall, from the high protection State of Pennsylvania, marshaled the protectionist Democrats to defeat it.

THE TARIFF QUESTION NOT A PARTISAN PROBLEM

This failure to carry out party promises established the fact that the tariff question was not a partisan problem, but rather a sectional struggle of localities thrown into a national arena.

Notwithstanding this setback, Cleveland persisted in the struggle for tariff reform. His annual message to Congress in December, 1887, sounded the tocsin for a renewal of the fight.

THE FAMOUS MILLS BILL OF 1888

The Mills bill was shortly afterwards introduced proposing to reduce the 47 per cent average tariff, then the law, to an average of 40 per cent. It departed from the theory of the Morrison bill in respect to a horizontal reduction. It was a carefully drawn and eminently fair remedy for existing evils and won out in the House by a majority of 13. The magic "13," however, was not as lucky for Cleveland as it later proved to be for Wilson. The bill on which Cleveland set his heart was smothered in the Senate, in which body the Republicans had a majority. His courage and high sense of party responsibility cost Cleveland a reelection in the following November and Benjamin Harrison became President.

THE MCKINLEY TARIFF OF 1890

The dominant party, having regained the Presidency in the election of 1888, felt that it was incumbent upon it to attempt to write another tariff with less potential elements of danger in it than there were in the 1883 tariff, which had proven so disastrous to party success. In the compilation of the new tariff, William McKinley, as chairman of the Ways and Means Committee, laid the train of events which later led him into the Presidency. But as a tariff creation it was not more successful than its predecessor. It raised the duties on wool and woolen clothing, besides loading many other necessities of life with exorbitant burdens. As a compensation—a fact of which the Republicans to-day might well take notice—it put sugar on the free list, notwithstanding that Cuba and the Philippines did not then stand in the same close relationship to us as they occupy to-day.

THE HYBRID WILSON TARIFF

Tariff making may be a fine sport while it lasts, but it is filled with many pitfalls. Cleveland had his idea of what a tariff bill ought to be, and so had Congress. The men who had protested loudest about the iniquity of the McKinley duties on the poor man's clothing, and had been elected on that platform, now felt that a proper regard for their responsibilities as the Representatives of their districts required that a tariff duty should be imposed on the poor man's peanuts.

There was hardly a congressional district that did not have some favorite product which it felt should be protected against the "pauper labor of Europe."

The burden of drafting the new tariff bill to carry out Democratic platform promises fell on William L. Wilson, of West Virginia, the chairman of the Ways and Means Committee of the House. The bill was reported in December, 1893. It put wool, lumber, coal, and certain raw material, and also sugar—both raw and refined—on the free list. The free-sugar feature was the cause of its undoing. The House passed the measure, but in the Senate it was amended out of all recognition. The duties were restored on sugar and increased on many other schedules, so that when it came back to the House it was far from being a tariff-reform measure. The House was obliged to recede in conference, so that when the bill was finally passed its average rates were no lower than the tariff of 1883. Cleveland was disgusted—and so, it later turned out, was the country. He refused either to sign or veto the hybrid concoction and allowed it to become a law by virtue of the Constitution. The law was a failure both as a revenue producer and as a remedy for the economic plight of the Nation, but it could no more be called a Democratic than a Republican measure. It simply showed that the financiers and special interests of the country had a strangle hold on both of the parties.

THE DINGLEY BILL OF 1897

William Jennings Bryan strove in 1896 to shunt the tariff question aside. Theoretically he was right—it was not a partisan question—but his attempt to substitute the free-silver issue was a failure.

The Republicans won, and, of course, had to make another tariff. The failure of the Wilson tariff to provide adequate revenues justified the venture. The duty on raw wool was restored and the general tariff rates were put back substantially to the averages contained in the McKinley bill of 1890. Sugar again was a prominent issue and both the producers and the refiners were pacified by doubling the tariff on the raw sugar and continuing the differential on refined sugar which was in the Wilson bill.

THE ERA OF ROOSEVELT AND TAFT

The Spanish-American War, with its sequence in the Philippine Islands and the rise of imperialism quieted tariff agitation for some years. Taft, however, was elected on a platform promising a modification of the rigors of the Dingley bill. The West

joined with the South in demanding a different set-up of its drastic and discriminating duties.

THE PAYNE-ALDRICH BILL OF 1909

The President called an extra session of Congress specifically to consider the tariff and to comply with platform promises. The Congress met on March 15, 1909, and the trouble began. The dominant party soon learned that the tariff question was not a partisan problem—that it was all right as an issue upon which to win an election, but after the election was won, the real problem was to prevent the high-tariff Democrats and the high-tariff Republicans from getting together to wreck party programs as well as party promises.

The Payne bill met the same fate as the Wilson bill under Cleveland. It came out of the House a tariff-reform measure, but came back from the Senate in such shape that its sponsors could not recognize it. The slogan during the presidential campaign was "Let the tariff be revised by its friends." When the Payne-Aldrich bill was signed by President Taft, its only friends were those who profited by its favors, while the great body of the consumers, who had been deceived by the party platform, became its irrepressible enemies.

THE UNDERWOOD TARIFF OF 1913

After the election of President Wilson, Congress was called in special session on April 7, 1913. Before the session opened the Ways and Means Committee, under Oscar W. Underwood, had spent considerable time in drafting a new tariff bill, even as the present Ways and Means Committee have done in this session of 1929.

THE TARIFF LOBBY

While the bill was under consideration in Congress, President Wilson issued his proclamation against the Washington lobby which had marched on the Capital with its large staff of propagandists, financed by the highly protected interests. The Senate ordered an investigation which brought out the fact—well known before, but never proved—that tariff legislation for upwards of 30 years had been simply a matter of logrolling, if not actual barter and exchange.

MALEFACTORS OF GREAT WEALTH

Roosevelt had referred to "Malefactors of great wealth." He was striking at those great industrial combinations which undertook to regulate and control prices so as to put the consumers of the country at their mercy. Not content with the normal and even abnormal profits which special tariff legislation for their special benefit had enabled them to make, they had entered into trade agreements whereby legitimate trade competition had been absolutely destroyed. It was this reprehensible conduct of the so-called National Association of Manufacturers which led to Wilson's arraignment and the ensuing congressional investigation. From 1900 to 1913 upward of 300 trusts, or trade combinations, had been formed.

THE AIM OF THE UNDERWOOD BILL

The aim of the Underwood bill, therefore, was to attack this evil. It was designed in accordance with a specific program based on the idea of "tariff for revenue only." The rates were framed so that luxuries would bear the chief burden, while the rates on the necessities of life were made as light as possible.

The average rate under the Payne-Aldrich Act was about 29 per cent. Naturally this substantial cut aroused the indignation of the "malefactors of great wealth." The bill also failed to satisfy the barons of the domestic cane and beet sugar industry; consequently 5 of the Members of the Democratic delegation in Congress from Louisiana joined with the Republicans in voting against it, while 2 Republicans and 4 Progressives joined 274 Democrats in carrying it through. The final vote was 280 to 139. In the Senate the bill was, quite unusually, not materially changed. The most notable amendment was the provision imposing a surtax on annual incomes above \$20,000. The House had inserted the provision imposing an income tax on corporations. Neither of these novelties was welcomed by the "malefactors of great wealth."

All together it was a carefully framed and generally equitable measure. It relieved the farmers of the burden of having to pay high prices for what they bought—relieving them in large measure of the incubus imposed upon them by the National Association of Manufacturers and its allies. The almost immediate result was the stimulation of agricultural exports, thus giving the farmers the opportunity to overcome the constantly recurring perplexity of how to dispose of their surplus.

It showed the farmer, by a practical test, that his real enemy was the tariff; for the moment the tariff rates on what he had to buy were reduced his foreign market increased. For

instance, in 1913, under the Payne-Aldrich Act, our exports of agricultural products amounted to about 43 per cent of our total exports. In 1919 our agricultural exports had risen to 50 per cent of our total exports.

THE BIRTH OF THE TARIFF COMMISSION

It was, of course, impossible to strike out at one blow a perfect tariff measure. Certain of the rates in the Underwood bill were soon found to need readjustment. In order to accomplish this scientifically and justly, it was seen that careful studies would have to be made of cost production and a vigilant comparison made with conditions in competitive foreign markets.

Consequently in 1916 a Tariff Commission was established. It was to be a nonpartisan commission. The old Tariff Commission, created under the Taft administration, was nothing more nor less than an annex to the National Association of Manufacturers. It only heard one side of the story. It was composed of the friends of the tariff—namely, the friends of the trusts. A new deal was needed, and this, the new nonpartisan Tariff Commission endeavored to secure. Up to the end of the Wilson administration it functioned intelligently and satisfactorily. Upon the return of Republican domination it was packed with "friends of the tariff" and otherwise coerced into doing the bidding of the trusts. Its researches, its findings, and its recommendations have been absolutely worthless for the past eight years.

Nevertheless it has great possibilities of usefulness. But to fulfill its functions it should be composed of economists and not politicians. Furthermore, its reports should be submitted to Congress at regular intervals, and these should give the facts and conclusions briefly without circumlocution. The members of the Tariff Commission should not only not be partisans but they should be absolutely free of all interest—both they and their families—in all enterprises which might be affected in any way by tariff legislation.

THE EMERGENCY TARIFF BILL OF 1920

The presidential election of 1920 threw the national administration into Republican hands. The House had been Republican since March 4, 1919. With the prospect of early and complete control of national affairs, the House Committee on Ways and Means under the chairmanship of Mr. FORDNEY, got quickly back to their old job of "tinkering with the tariff." The first fruit of their industry was what was called "The emergency tariff bill." This contraption kept artfully away from the manufacturers' schedules and devoted its attention to the "poor and down-trodden farmer." It proposed to impose temporary duties upon agricultural products for a period of 10 months, beginning the day following its passage. It was so utterly opposed to the trend of Republican policy in the past as to arouse suspicion. I said at the time:

Wait until the Republican Party brings out its new tariff bill in the next House. Then you will find your manufacturing friends amply taken care of.

THE FORDNEY TARIFF BILL OF 1921

It was not long before that prediction was verified. It not only contained the valueless sop to the farmers, but revived the onerous rates in favor of the old industries that it had been so partial to in former years.

The tariff bill of 1921 was supposed to be the last word in tariff building. It was heralded as the great panacea for the Nation's ills. It was to revive agriculture and put the farmers of the Nation on "Easy Street." But, alas, it has confessedly failed. What has happened? There has been no overturn in national politics, yet here it is, less than eight years since the famous Fordney bill became a law, with the promise that it was certain to regenerate the Nation, and we now have the Hawley bill of 1929!

THE HAWLEY BILL OF 1929

I am not going to add the Hawley bill to my "wax gallery" as yet, because while we know what it is driving at nobody can tell what it is going to be or where it is going to arrive.

It is sufficient to know that it has attempted to deal with the thousand and one industries of the Nation and embraces many thousands of items. It is quite obvious that no human agency is capable of handling such a program of revision in a few months and do justice to all. It is certain that neither this Congress nor any other Congress is competent, either in experience, in knowledge of the details, or in physical strength, to pass upon such a measure intelligently in the few days given to its consideration. The membership on the other side of the aisle are taking it on faith, while we on this side must bow our heads to the inevitable.

THE FARM GROUPS PACIFIED

It is manifest that great efforts have been made to please the farm groups. But are they pacified? If so, for how long? The dickering over the rates on farm products is a mortifying and humiliating illustration of legislative inconsistency. For instance the farmers that vote dry have been very much concerned to obtain an increase in the duty on blackstrap, that is used in the making of alcohol. The Fordney tariff only gave them one-sixth of a cent a gallon. Under the treaty of peace just agreed to in caucus it seems they are going to secure a duty of 2½ cents a gallon.

SPECIAL FAVORS FOR THE FARMERS

It also seems that the farmers are going to be permitted to buy fence posts free of duty. They will now be permitted to obtain the very latest Parisian models. But, alas, what is to become of our domestic manufacturers of fence posts? Their situation is surely pathetic.

The duty on onions will also be increased to 2 cents a pound. The rate on potatoes is increased from 50 to 75 cents per hundred pounds.

THE FOLLY OF IT

Hides are taken off the free list and are to be "protected." To counterbalance this the duty on shoes is put at 35 per cent ad valorem. My good friend and colleague from Mississippi boasted the other day on the floor of the House that he was sporting a pair of shoes that cost him \$14. Under the new tariff, if it goes into effect, he will have to pay, as I figure it out, just \$4.90 more. The average mechanic pays \$5 or \$6 for his shoes. If he wears out a couple of pairs a year, and if his 4, 5, or 6 or 8 children are similarly extravagant, it ought to be quite easy to calculate how much the Hawley bill is going annually to take out of his pocket.

Not only the mechanic but other persons of various trades and occupations wear shoes. It must be remembered that we are a shoe-wearing nation. Even the farmers wear shoes. I am wondering will the farmer consider, in his reflecting moments, whether he has done well in taxing himself on the shoes he and his family wear in exchange for the problematical gain of a few cents on the hides of the few cattle he may sell to the Beef Trust?

HOW THE AVERAGE CONSUMER WILL FARE IS THE QUESTION

Perhaps the farmer is satisfied with the pending bill. It would not be a surprise if he were. Generally, everyone is satisfied when he gets what he wants. His dissatisfaction does not begin until he finds that what he thought he got has turned out to be a counterfeit.

The question is how the average consumer will fare.

There are about 12,000,000 adults in this land who are engaged in agricultural pursuits. There are about 30,000,000 others who are not, but all are wage earners and consumers. There are 120,000,000 people in the United States. They are all consumers, whether they are farmers or not. They have to be fed, clothed, housed, and supplied with luxuries as well as necessities. When all of these find that their beef, their sugar, their potatoes and onions, their clothing, and their tools and implements are greatly enhanced in price through the operations of this beneficent tariff, their reaction is not likely to be very cheerful.

THE LESSON OF THIS REVIEW

In this review of past tariffs the fact must be apparent that so long as tariffs are framed with the object of protecting particular industries, or groups of industries, the length of time they are likely to remain in force may be roughly approximated.

Such tariffs will last only until the high prices they create have had the opportunity to become diffused.

There have been written two score or more of tariffs in our comparatively brief history as a nation. Not one of them has lasted 20 years.

THE TARIFF NOT A NATIONAL ISSUE

Our experience shows that while tariff legislation may be national in purpose it generally degenerates into a sordid scramble for booty—a selfish conflict between sections or between industries and interests in order to gain a commercial advantage.

The protective idea is used simply as a cloak for plunder. It has come to such a pass that if one industry happens to receive an apparently exorbitant rate the other industries, instead of demanding a reduction of the offending rate, actually have the effrontery to appeal to Congress to let them come in on the steal also. I have such a letter in my files now. The writer does not complain about the high rate of duty awarded to one of his allied manufacturers. He—think of the brazen effrontery—only demands that his particular industry shall receive the benefit of a similar rate.

The interest of the entire people; the healthy growth of industry and the effect of the tariff on world trade are all for-

gotten. The question must ever remain foremost, in any calm and impartial consideration of this subject, whether we are doing right, as a matter of political ethics, in fostering and encouraging this periodical modification of tariff rates in order to help commercial brigands rob their fellow men. "Malefactors" they truly are whether of "great wealth" or otherwise.

The gentleman from New Jersey [Mr. FORT] argued the other day that this was a better bill and more truly national in its nature, because it distributed its benefits more generally throughout the land than its predecessors. In reply to that, I would say that such a distribution of tariff favors does not make this bill either better or more truly national. On the contrary, that very peculiarity makes it even worse than its predecessors, for it extends and perpetuates the original wrong. If it was improper to accord special tariff protection to one class of industry in one particular place, it certainly is not an improvement in morality to make such legislation general or universal.

THE TARIFF IS NOT A POLITICAL ISSUE

This proposition is simply the corollary to the preceding proposition that the tariff is, in the last analysis, merely a matter of local and more or less supposedly conflicting interests. It is true, that the Republican Party has become committed to the policy of artificial stimulation of industry by protective tariffs. It is likewise true that the Democratic Party remained for many years true to the Jeffersonian policy of "Equal rights for all and special privileges to none," but the attrition of years seems to have broken down their steadfast adherence to that principle. In the matter of the tariff, the position of both parties has been, and probably is now, prompted more by political expediency than regard for fundamental principles. The tariff is essentially a scientific question—a difficult and abstruse problem in economics and has properly no place in the arena of politics. That is one of the reasons why the Tariff Commission was created. Individuals and prominent individuals too, in both parties will concede the truth of that. Many of the most able men in the Republican Party were never in sympathy with the high protective policy which the politicians in their party injected in their national platforms.

OPINION OF HUGH M'CUCCLOCH

In this connection the views of Hugh McCulloch, the able economist and statesman who served as Secretary of the Treasury under Presidents Lincoln, Johnson, and Arthur, may be of some interest. In the preface of his book, *Men and Measures of Half a Century*, he writes (November, 1887):

The United States is far ahead in the lead of all nations in the enterprises, the industry, and versatile intelligence of the major part of its population; with coal and iron in close proximity and in inexhaustible supply; with the finest and most extensive cotton fields in the world; with fertile lands enough for the homes of hundreds of millions of people; with manufactories of almost all descriptions well established and skillfully managed; with unequaled commercial facilities; and with abundant capital and cheap money.

That such a country should need protection in its home markets against the competition of nations thousands of miles distant to a greater extent than would be afforded by a revenue tariff is a conclusion that I have been unable to reach, strong as has been and is my attachment to the party of whose economical—perhaps I ought to say political—policy protection is the corner stone.

On the contrary, my conclusion has been that what was needed by manufacturers (to say nothing about our farmers, whose wants are becoming painfully pressing) and will become more and more needed as their protective power increases was wider markets for their manufactured goods; the very markets of which they have, to a great extent, been deprived by the measures that have been thought necessary to secure for them the control of the markets at home.

Inactive as most of our mills are (very few being worked up to their full capacity), there is still overproduction, and manufacturers are combining to limit supplies and maintain high prices at the cost of consumers.

Combinations for these purposes are the necessary outgrowth of our protective tariff, and they will exist until import duties are levied for revenue only, and as largely as may be practicable upon luxuries. In our zeal to sustain home industry we have overlooked the importance of foreign markets, which can not be opened to us as long as we subject their productions to very high duties.

Havemeyer, the great sugar industrialist, put this thought in more concrete form, in testifying before a congressional committee in 1898, by characterizing the tariff as the "mother of trusts."

HIGH PRICES NOT A SIGN OF PROSPERITY

The cost of living has steadily increased since 1899. Taking that year as normal and giving it the value of 100, we have the following calculation on the basis of the Bureau of Labor Statistics for 32 cities in the United States. The figures represent food

prices only. The increase in prices for other commodities is equally pronounced:

Year: 1	Relative cost of living
1913	158
1914	162
1915	165
1916	199
1917	214
1918	261
1919	304
1920	339
1921	297
1922	276
1923	281
1924 (December)	238
1925 (December)	260
1926 (December)	256
1927 (December)	246
1928 (December)	246

The significance of these figures is that a man who had earned \$5 per day in 1899 ought to be earning \$14 per day in 1923 to be in the same relative position of prosperity. There may be some who are that lucky in certain highly unionized trades, but I think it will be found that few outside of the trade-unions have enjoyed this gain.

On the other hand, unskilled labor everywhere in the United States is paid the most miserable wages. In the brickyards along the Hudson River the average pay is \$3 per day, and upon that strong, healthy men are supposed to support and do support big families. How they do it, with costs of living at their present rates, is a mystery. Bread, 10 cents a pound; butter, 55 cents a pound; eggs, 55 cents a dozen; and meat so high it is out of the question for the average poor family. And now comes this vicious, criminal bill proposing to increase the already exorbitant duty on butter from 12 to 14 cents a pound, and other articles of food in proportion.

The Fordney bill provided an average rate on farm products of 22.79 per cent. The present bill now before the House increases these duties to a general average of 31.37 per cent. It is worse than criminal; it is stupid. I noticed in New England last summer that the average pay of the textile workers was from \$17 to \$21 per week. And yet there was even a strike on in protest against a proposed reduction of 10 per cent in these miserable wages. And this, too, in one of the most highly protected industries!

INFLATION OF PRICES MEANS A DEPRECIATED DOLLAR

Taking this table of the increased cost of living as a basis and applying it to everyday life, it is clear that when the cost of living exceeds the 100 mark it means that the dollar is correspondingly depreciated. Thus if the cost of living goes to 300, as it did in 1919, it means that it will take \$3 to purchase the things which cost only \$1 in 1899. In other words, the dollar has been depreciated to one-third of its value.

No matter how plausible may be the appearances of prosperity, no country which depreciates the standard of value of its own currency can be truly or permanently prosperous. One of the complaints of the farmers—in fact, the one which has precipitated the issue of farm relief—is the deflation of his dollar. A depreciated unit of value lessens the purchasing power of every class and of every individual in the country.

We have gone on successively raising tariff barriers until the prices of everything entering into our lives are so enhanced and inflated that whatever advantage there might have been in the original tariff increase has been diffused and absorbed in the general rise of price levels.

In other words, the boosting of tariff duties has proven to be only a temporary aid to those benefited, while the damage to our trade efficiency has become fixed and permanent. The inevitable effect has been to undermine the purchasing power of the dollar, the diminished value of which to-day is the true index of the shallowness of our prosperity.

We may be able to control our own markets; we may be able to mulct the American consumers to the limit of their patience or endurance, but if our commerce ventures into foreign markets it must accept world-market prices. The steel and metal industries may, and do, send abroad their surplus output. They can afford to sell these surpluses at reduced profits because their overhead is already covered by their profits in the domestic market. The farmer either can not or will not be content to make this sacrifice. Hence, the demand of the farmers for special laws to enable them to dispose of their surplus. Hence, the equalization fee; hence the debenture plan and other disguised forms of subsidies.

ARE WE DRIFTING INTO SOCIALISM?

It is one thing, and an excusable thing, for a government to encourage an industry, for it is admitted on all sides that the Nation must be self-sufficient, but it is quite another thing to

grant subsidies, issue debentures, and tax the entire people to practically carry on any particular industry. We might better have outright socialism than continue our present system of Government coddling and nursing.

AN IMPOSSIBLE TASK

Think of it! Nearly a century and a half of tinkering, back-ing and filling, amending, repealing, and renewing. Twenty separate and distinct tariff statutes of complete revision and scores upon scores of minor acts. Think of the time of intelligent men wasted in prolonged hearings, listening to the sordid appeals of ignorant and selfish hucksters without a particle of honor or patriotism in their souls. It is pathetic.

If any other human undertaking had been botched so unmercifully through such a long period of time, the natural conclusion would be that those intrusted with the responsibility had not the brains for the task or that it was inherently and humanly impossible to execute it. Past failures are a forecast of the future. No human intelligence is capable of defying the immutable laws of nature, and every attempt in the future, as in the past, is doomed to failure.

ADJOURNMENT

Mr. HAWLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 20 minutes p. m.) the House adjourned until to-morrow, Friday, May 17, 1929, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

18. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting report from the Chief of Engineers on preliminary examination of channel from Albemarle Sound to Point Harbor, N. C., was taken from the Speaker's table and referred to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SNELL: Committee on Rules. H. Res. 45. A resolution to make in order a motion to send to conference H. R. 1 with the amendment of the Senate; without amendment (Rept. No. 9). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND: A bill (H. R. 3038) appropriating money for improvements upon the Government-owned land at Wakefield, Westmoreland County, Va., the birthplace of George Washington; to the Committee on Appropriations.

By Mr. HARDY: A bill (H. R. 3039) authorizing the Secretary of Labor to provide for the construction, equipment, maintenance, repair, and operation of Government dormitories for women employees of the United States in the District of Columbia, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. LEAVITT: A bill (H. R. 3040) granting pensions to Indians who rendered valuable service with the armed forces of the United States; to the Committee on Pensions.

By Mr. O'CONNELL of New York: A bill (H. R. 3041) to amend section 202, paragraph 10, of the World War veterans' act to include honorably discharged men of the Regular Army, Navy, and Marine Corps, and fleet reservists and retired officers and enlisted men; to the Committee on World War Veterans' Legislation.

By Mr. SANDERS of Texas: A bill (H. R. 3042) for the erection of a public building at Athens, Henderson County, Tex.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 3043) for the erection of a public building at Kaufman, Kaufman County, Tex.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 3044) for the erection of a public building at Winnsboro, Wood County, Tex.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 3045) for the erection of a public building at Mineola, Wood County, Tex.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 3046) for the erection of a public building at Wills Point, Van Zandt County, Tex.; to the Committee on Public Buildings and Grounds.

By Mr. BLOOM: A bill (H. R. 3047) to amend the Settlement of war claims act of 1928 (Public No. 122, 70th Cong.) so as to extend the time within which claims might be filed; to the Committee on Ways and Means.

By Mr. ZIHLMAN: A bill (H. R. 3048) to exempt from taxation certain property of the National Society, Sons of the American Revolution, in Washington, D. C.; to the Committee on the District of Columbia.

By Mr. KADING: Joint resolution (H. J. Res. 76) authorizing the President by general proclamation to grant pardon and amnesty in certain war-time cases; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

By Mr. CLARK of Maryland: Memorial of the Legislature of the State of Maryland, favoring the selection of the summer home of the President in the State of Maryland; to the Committee on Public Buildings and Grounds.

Also, memorial of the Legislature of the State of Maryland, favoring the amendment of the copyright laws of the United States; to the Committee on Patents.

Also, memorial of the Legislature of the State of Maryland recommending that the Star Spangled Banner be declared to be the national anthem of the United States of America; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CRAIL: A bill (H. R. 3049) granting a pension to Gabriel Bolier; to the Committee on Pensions.

Also, a bill (H. R. 3050) for the relief of John A. J. Darrah; to the Committee on Military Affairs.

By Mr. CRISP: A bill (H. R. 3051) granting an increase of pension to Anna Allen; to the Committee on Invalid Pensions.

By Mr. GIBSON: A bill (H. R. 3052) granting an increase of pension to Mary E. Howard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3053) granting an increase of pension to Martha A. Howe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3054) granting an increase of pension to Julia E. Chase; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3055) granting an increase of pension to Carrie F. T. Hovey; to the Committee on Pensions.

Also, a bill (H. R. 3056) granting an increase of pension to Eunice G. Trombly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3057) granting a pension to Marcia A. C. Brown; to the Committee on Invalid Pensions.

By Mr. GREENWOOD: A bill (H. R. 3058) granting an increase of pension to Lavina Corwin; to the Committee on Invalid Pensions.

By Mr. McKEOWN: A bill (H. R. 3059) for the relief of Beryl Elliott; to the Committee on Claims.

Also, a bill (H. R. 3060) for the relief of Sard S. Reed; to the Committee on Claims.

Also, a bill (H. R. 3061) granting a pension to Emma F. Nations; to the Committee on Invalid Pensions.

By Mr. MILLIGAN: A bill (H. R. 3062) granting a pension to Isaac Holt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3063) granting a pension to George W. Madden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3064) granting an increase of pension to Nancy E. Gallamore; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 3065) granting an increase of pension to Lavina Jackson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3066) granting an increase of pension to Linea E. McCamon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3067) granting a pension to Mary M. Nelson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3068) granting an increase of pension to Jennie Lee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3069) granting an increase of pension to Elizabeth A. Woodland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3070) granting an increase of pension to Mary A. Shankland; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3071) granting an increase of pension to Margaret J. Van Dyke; to the Committee on Invalid Pensions.

By Mr. NEWTON: A bill (H. R. 3072) for the relief of Peterson-Colwell (Inc.); to the Committee on Claims.

By Mr. PALMER: A bill (H. R. 3073) granting a pension to Narcissa Harvey; to the Committee on Invalid Pensions.

By Mr. SPEAKS: A bill (H. R. 3074) granting an increase of pension to Calista Ealy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3075) granting an increase of pension to William Frederick Gross; to the Committee on Pensions.

Also, a bill (H. R. 3076) granting an increase of pension to Louisa B. Noble; to the Committee on Invalid Pensions.

Also, a bill (H. R. 3077) granting a pension to George W. Bowman; to the Committee on Pensions.

By Mr. STEVENSON: A bill (H. R. 3078) for the relief of John H. Cathcart; to the Committee on Claims.

By Mr. STRONG of Kansas: A bill (H. R. 3079) for the relief of John E. Hewitt; to the Committee on Military Affairs.

By Mr. SWING: A bill (H. R. 3080) granting a pension to Isabella Randell; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 3081) granting a pension to Lucretia Brubaker; to the Committee on Invalid Pensions.

By Mr. WYANT: A bill (H. R. 3082) granting an increase of pension to Lizzie M. Henry; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

414. By Mr. ALLGOOD: Petition of numerous citizens of New Jersey, protesting against the impairment of the immigration act of 1924 by the repeal or suspension of the national-origins clause, and asking that Mexico and Latin-American countries be placed under the quota provisions of that act, and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

415. Also, petition of State societies Daughters of the American Revolution and numerous citizens of Massachusetts, protesting against the impairment of the immigration act of 1924 by the repeal or suspension of the national-origins clause, and asking that Mexico and Latin-American countries be placed under the quota provisions of that act, and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

416. Also, petition of numerous citizens of New Jersey, protesting against the impairment of the immigration act of 1924 by the repeal or suspension of the national-origins clause, and asking that Mexico and Latin-American countries be placed under the quota provisions of that act, and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

417. Also, petition of numerous citizens of New Jersey, protesting against the impairment of the immigration act of 1924 by the repeal or suspension of the national-origins clause of and asking that Mexico and Latin-American countries be placed under the quota provisions of that act and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

418. By Mr. BOX: Petition of numerous citizens of Brooklyn, N. Y., protesting against the impairment of the immigration act of 1924 by the repeal or suspension of the national-origins clause and asking that Mexico and Latin-American countries be placed under the quota provisions of that act and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

419. Also, petition of Massachusetts Daughters of the American Revolution and numerous citizens protesting against the impairment of the immigration act of 1924 by the repeal or suspension of the national-origins clause and asking that Mexico and Latin-American countries be placed under the quota provisions of that act and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

420. Also, petition of New York Daughters of the American Revolution and numerous citizens, protesting against the impairment of the immigration act of 1924 by the repeal or suspension of the national-origins clause and asking that Mexico and Latin-American countries be placed under the quota provisions of that act and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

421. Also, petition of numerous citizens of Philadelphia, protesting against the impairment of the immigration act of 1924 by the repeal or suspension of the national-origins clause and asking that Mexico and Latin-American countries be placed under the quota provisions of that act and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

422. Also, petition of Massachusetts State Society, Daughters of the American Revolution, protesting against the impairment of the immigration act of 1924 by the repeal or suspension of the national-origins clause and asking that Mexico and Latin-American countries be placed under the quota provisions of that act and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

423. Also, petition of numerous citizens of New Jersey, protesting against the impairment of the immigration act of 1924

by the repeal or suspension of the national-origins clause and asking that Mexico and Latin-American countries be placed under the quota provisions of that act and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

424. Also, petition of citizens of New Jersey, protesting against the impairment of the immigration act of 1924 by the repeal or suspension of the national-origins clause and asking that Mexico and Latin-American countries be placed under the quota provisions of that act and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

425. Also, petition of citizens of New Jersey, protesting against the impairment of the immigration act of 1924 by the repeal or suspension of the national-origins clause and asking that Mexico and Latin-American countries be placed under the quota provisions of that act and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

426. Also, petition of numerous citizens of New Jersey, protesting against the impairment of the immigration act of 1924 by the repeal or suspension of the national-origins clause and asking that Mexico and Latin-American countries be placed under the quota provisions of that act and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

427. Also, petition of numerous citizens of Edgewood, N. J., protesting against the impairment of the immigration act of 1924 by the repeal or suspension of the national-origins clause and asking that Mexico and Latin-American countries be placed under the quota provisions of that act and asking for additional deportation legislation; to the Committee on Immigration and Naturalization.

428. By Mr. EVANS of California: Petition of Mrs. E. Barnett, of Pomona, Calif., and 17 others, opposing the proposed change in the calendar year; to the Committee on Foreign Affairs.

429. By Mr. McCORMACK of Massachusetts: Petition of Ancient Order of Hibernians of Massachusetts, Thomas H. Buckley, 198 Center Avenue, Abington, Mass., chairman of resolution committee, urging repeal of national-origins clause in immigration act; to the Committee on Immigration and Naturalization.

SENATE

FRIDAY, May 17, 1929

(Legislative day of Thursday, May 16, 1929)

The Senate met at 12 o'clock meridian in executive session, on the expiration of the recess.

MESSAGE FROM THE HOUSE

While the doors were closed, by unanimous consent,

As in legislative session, a message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 1) to establish a Federal farm board to promote the effective merchandising of agricultural commodities in interstate and foreign commerce and to place agriculture on a basis of economic equality with other industries; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HAUGEN, Mr. PURNELL, Mr. WILLIAMS, Mr. ASWELL, and Mr. KINCHELOE were appointed managers on the part of the House at the conference.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 22) to provide for the study, investigation, and survey, for commemorative purposes, of battle fields in the vicinity of Richmond, Va., and it was signed by the Vice President.

NOTICE TO AMEND RULES XXXVIII AND XL

As in legislative session, by unanimous consent, Mr. BLACK. I hereby give notice that on the next calendar day I shall move to amend the rules as follows:

1. By striking therefrom section 2 of Rule XXXVIII and substituting therefor the following:

"The Senate shall pass upon nominations submitted to it in open executive session."

2. By striking out the period at the end of Rule XL and adding thereto the following: "by a vote of the majority of those present and voting."

BILLS INTRODUCED

As in legislative session, by unanimous consent, Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN:

A bill (S. 1162) granting a pension to Nellie Hastings Root; to the Committee on Pensions.

By Mr. STECK:

A bill (S. 1163) to amend the act entitled "An act to limit the immigration of aliens into the United States, and for other purposes," approved May 26, 1924; to the Committee on Immigration.

By Mr. McNARY:

A bill (S. 1164) authorizing and directing the Secretary of Agriculture to investigate all phases of crop insurance; to the Committee on Agriculture and Forestry.

A bill (S. 1165) to amend section 6 of the act entitled "An act to authorize aids to navigation and for other works in the Lighthouse Service, and for other purposes," approved June 30, 1918, to allow retirement of officers and employees of the Lighthouse Service at the age of 65 after 25 years of service; to the Committee on Commerce.

MESSAGE FROM THE HOUSE

During the consideration of executive business, by unanimous consent,

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed the joint resolution (S. J. Res. 36) to amend Public Resolution No. 89, Seventieth Congress, second session, approved February 20, 1929, entitled "Joint resolution to provide for accepting, ratifying, and confirming the cessions of certain islands of the Samoan Group to the United States, and for other purposes."

FORMER REPRESENTATIVE JOHN W. MOORE, OF KENTUCKY

As in legislative session, by unanimous consent,

Mr. BARKLEY. Mr. President, I ask unanimous consent to have inserted in the RECORD a brief statement by Representative D. H. KINCHELOE, of Kentucky, concerning former Representative John W. Moore, of that State.

The VICE PRESIDENT. Without objection, it is so ordered. The statement is as follows:

JOHN W. MOORE—STATEMENT OF HON. D. H. KINCHELOE, OF KENTUCKY, FRIDAY, MAY 17, 1929

Hon. John W. Moore was elected as a Representative in Congress from the third congressional district of Kentucky in November, 1925, to serve the unexpired term of R. Y. Thomas, jr. He was reelected by a tremendously increased majority to the Seventieth Congress and served until the 4th of March last. By reason of the death of the Member elect a special election has been called for June 1 next to elect a Member of Congress from this district. The Democratic congressional committee of that district a few days ago unanimously nominated Mr. Moore as the Democratic nominee and he will be the party's candidate to be voted for at this special election.

As soon as he came to Congress he was elected a member of the Committee on Immigration and the Committee on Pensions, two very important committees of the House, and served as a member of these two committees until his time expired the 4th of last March. I have had an opportunity to not only know Mr. Moore intimately while he was here but to know the services he rendered to his district and the country during his entire service. Also I have recently interviewed both Democratic and Republican members of the Committees on Immigration and Pensions and every member with whom I talked stated that there was not a more industrious and faithful member of either of the committees than Mr. Moore. He attended the committees regularly and participated all the time in the deliberations of them.

He not only discharged his duties faithfully and well as a member of the committees above mentioned but he looked after and cared for all the requests of his constituency promptly. Also he attended the sessions of Congress at all times, studied legislation, and voted for the interests of all the people on all questions that came before the House. No higher type man, no more genuine Christian character, and no Member of higher integrity has served in Congress since I have been here than John Moore. His interest has always been with the struggling man and woman, and he voted at all times for all laws that would better their conditions, whether they worked on the farm, in the mines, or the factory.

Nothing adds more to the influence and prestige of a Member of Congress than long service in this body. By reason of his past experience and acquaintanceship with the Members of the House, he is in better shape to render, if possible, more faithful and efficient service to the people of the third congressional district of Kentucky than ever. He is held in the highest esteem by the entire membership of the House, both Democrats and Republicans. With the powers of government being gradually concentrated in Washington, the duties of a Member of